U 504 439 SW 504 439 The second objection, which involves the question of Russia's need for the Ukrainian ports of the Black Sea and the Sea of Azov, is readily refuted by Russian maritime history.

Great Russia Not Dependent on the Black Sea Ports

We grant that, to the casual thinker with little or no knowledge of the trade routes of modern commerce, it may at first appear that Russia cannot live without southern ports, but, while it is true that more than half of the maritime exports of former Russia were on the Black Sea and the Sea of Azov, those who present this argument forget that the Ukrainian exports composed nearly half of those of the whole Russian Empire. It has already been proved that ethnic Ukraine shipped about two-thirds of the total amount of cereals. If we take these facts into consideration, we must conclude that it was the Ukraine which used the southern ports and not Russia. Nor did Russia export much of her merchandise by way of the Black Sea. The official Russian statistics of the traffic of merchandise by rail show no southern port except Rostov-on-the-Don, which served as an outlet for the products of the territories situated north of the ethnic frontier of the Ukraine and Russia. As to Novorosseysk, that was always the port for the Cossacks of Kuban and of the northern Caucasus. Even the northern regions of the Ukraine, including the governments of Tchernihov, that of Poltava and a part of the government of Kharkov, sent their wheat by the ports of the Baltic and even by Libau and Koenigsberg.

Statistics indicate that imports have never been shipped in by way of the Black Sea to any great extent. The records of Russian foreign commerce for the year 1912 show that 80 per cent of the maritime imports of the old empire of Russia were made by way of the Baltic, so that even the Ukraine received much foreign merchandise by this route. The policy of the Russian Government was always in favor of Baltic ports, to the detriment of those on the Black Sea. Finally speaking, all Russian commercial policy, in which an important item was the railroad rates, was in favor of the Baltic ports.

an effort to lower the tax on manufactured articles, the European countries began to put exorbitant duties on Russian agricultural products. Subsequent records show how detrimental was the Russo-German treaty of 1904 to agriculture among the Russian peoples. Thus were the interests of the agricultural regions clearly sacrificed to the interests of a few industrial centers.

Policy of Former Russia Injurious to Ukraine

How did this affect the Ukraine? We have shown that, in former Russia, the Ukraine was the principal exporter of agricultural products, and that she could not find a market for her wheat in industrial Russia because of the stern competition offered by the Volga and Siberia. Hence her only course was to seek an outside market, and this she did by exporting all surplus cereals to western Europe. Even here Russia subordinated the Ukrainian agricultural interests to the interests of industrial security. Added to this injustice, she took no steps to encourage Ukrainian exportation into central Russia. Money was spent in constructing elevators in the region of the Volga and in Siberia and refrigerator trains were organized for shipping meat, poultry, butter and fruit into eastern Russia, Siberia and Central Asia: all this to the neglect of Ukrainian interests. Nor was there any compensation for this loss by the promotion of the manufacturing industry in Ukraine. It is an indisputable fact that Ukrainian manufactures are much less developed than those of either Russia or Russian Poland. We can find one reason for this, however, in a certain period of Ukraine's history.

Russia and Poland were already enjoying an assured and peaceful national life while Ukraine was still struggling against the factors which were devastating her territory. The colonization of certain Ukrainian territories after the expulsion of the nomads took place much later than that of the other Russian provinces. Later, Ukraine was invaded by the Poles, who did not cease to treat her like a colony, and exploited her entirely for their own benefit. Hence, at the time of Ukraine's incorporation into Russia,

the Don which continued to Ityl, the Khazar capital at the mouth of the Volga where two important routes terminated, viz. a caravan road from Bagdad via Khovaresm in the Turkestan of to-day and a road from China via the basin of the Tarim. Communicating routes led via the Pripyat to the Memel and Vistula areas, and via Halych to Hungary or via Cracow to Prague and Regensburg. 487

But Ukraine forfeited these advantages when Bagdad, Byzantium and Kyiv declined and when the Crusades shifted the main trade routes to the Mediterranean and later when America was discovered and the sea route to India became known. In addition, there were changes in the needs of civilisation; instead of furs, wax and honey, there was now a demand for goods in bulk like grain and timber which had to be transported all too expensively to the West via the Baltic as the Turks blocked the exit to the Mediterranean. The early golden age of Ukraine was the result of favorable trade conditions and it sank when these changed.

4. Black Earth and Granary

The enormous area of 70 million ha black earth produced considerable surplus grain crops. Ukraine became the granary of Europe, but as the structure of the country was wholly agrarian, industry was slow to develop so that towns and industry were flooded by aliens. 433

Grain was exported in ancient times to Greece and Rome. Grain and cattle were transported from the central Dnipro area to the harbors and markets of Germany. But export trade only began to flourish in earnest when the fertile steppe and the sea coast were re-conquered. Food requirements of European industrial states were supplied from harbors on the Black Sea and the Sea of O[illegible]v; and yet this improvement in geographical trade conditions was no longer the decisive feature in Ukrainian economy. 439

Ukraine was responsible for 10 % of the world's production of the four European kinds of grain and was therefore among the leading sources. From 1909—1913 its grain exports accounted to 8.6 million roubles, and to more than a fifth of the entire

439 world export of grain; Ukraine played a leading part in the export of wheat, rye and barley (20.21 % and 25 % respectively of the world export).

The bulk of the exports did not go to Russia which drew its supplies from the Volga Basin and the East. Part went to White Ruthenia, Poland and the Baltic, if it was not ear-marked for Central and Western Europe. And Ukrainian cattle were not greatly in demand in the Russian market, which is one reason why cattle-rearing never developed very satisfactorily.

5. The preponderance of foreigners in industry

433 was partly due to Ukrainian concentration in agriculture. It
464 is quite true that, at the outset, Ukraine was not interested in mining and industry. On the other hand the Russians, by Nature less bound to the poorer soil on which they had settled, immigrated to mining and industrial areas of Ukraine. This produced dangerous national islands. The work done by Ukrainian laborers in the Donets area was better than in the Ural, even if it did not reach the standards of Central and Western Europe.

471 In Ukraine industry foreigners predominated even more as investors of capital than as laborers, more capital coming from countries abroad than from Russia. Before World War I about 400 million roubles were invested in Dnipro Ukraine alone, where the value of mining and industrial products amounted to 170 million roubles. 95 % of the capital invested in heavy industry was of foreign origin; 80 % of the pig-iron produced in 1913 came from 10 concerns with French capital (out of a total of 16 in the Russia of those days); they represented an investment of more than 112 million roubles. Of the 103 million roubles of French capital invested in coal mines, 82 millions were accounted for by the Donets Basin. Ten of the 12 concerns run with Belgian capital were in Ukraine.

6. Ukraine's relations to Russia as a colony

439 find expression in the economy of Dnipro Ukraine where certain industries were neglected and deprived of funds in favor of Russian areas. And this is no result of a balance between an agrarian and an industrial country for it was not to the North and the East that agricultural produce was exported

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from Ukraine, although it is true that Russia had to be supplied with sugar in addition to raw and auxiliary materials (coal, ores, pig-iron, steel etc.). Imports to Ukraine (e. g. textiles) were more than met by exports. But no capital was imported from Russia to set off the active trade balance; this came almost entirely from other countries.

In the common budget of Imperial Russia in the years 1909—1913 Ukraine had to supply 20 % of the total revenue while it was allocated only 20 % of the expenditure. Almost half (45—46 %) of the Imperial revenue from Dnipro Ukraine was diverted to other areas of Russia. Three fourths of the funds ear-marked for capitalisation went abroad in the form of interest and dividends; Russia itself utilised revenue from Ukraine to install rival plants that very often manufactured or finished goods derived from Ukraine. Ukraine exported abroad four to nine times as much as she imported and was solely responsible for the fact that Russia had an active trade balance. It is an undisputable fact that Ukraine was an integral part of the economic system of Europe before the First World War.

7. The Russian Eurasian Theory

is that all Eurasian and Asiatic parts of Russia, including peripheral areas like Mongolia, Eastern Turkestan etc. must be united in one great empire. Let us view this problem from the point of view of economic geography.

The features common to that gigantic stretch of territory are the enormous distances between the various centers of production to the frontiers and the sea, the length of time that rivers and seas are ice-bound, sparse population, high costs of transportation, and an unfavorable position with regard to world markets. It must therefore be organised as a self-supporting economy, planned from some center. Western Siberia is the heart of Eurasia.

These facts do not apply to Ukraine. The 2400 km between the sea and the Semyrjechka area may be Eurasian, while in Europe the least favorable points are less than 600 km from the sea, and this "European" distance from the sea holds for Ukraine where no center is further than 600 km from the Black Sea. The distance between the Kusnets Basin, the chief coal area of

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Table 2. Ukraine in the World Export of Grain.

1909—1913	Wheat 1000 t	Wheat %	Rye 1000 t	Rye %	Barley 1000 t	Barley %	Oats 1000 t	Oats %	Total 1000 t	Total %	Maize 1000 t	Maize %	Altogether Mill. t	Altogether %
1. Ukraine	4300	20	600	21	2700	43	300	8,5	7900	23	700	10	8,6	21
2. Argentine	2600	12	—	—	—	—	620	17,5	3220	9,5	2950	40,5	6,1	15
3. USA	2960	13,5	10	0,5	160	2,5	60	1,5	3190	9,5	1020	14	4,1	10
4. Roumania	1430	6,5	100	3,5	350	5,5	150	4,5	2030	6	1000	14	3,1	7
5. Canada	2530	12	—	—	100	1,5	180	5	2810	8	—	—	2,8	6
6. Russian Empire	100	0,5	200	7	1000	16	800	23	2150	6	100	1,5	2,2	5
7. B. India	1380	6,5	—	—	230	3,5	—	—	1610	4,5	—	—	1,6	4
8. Australia	1150	5,5	—	—	—	—	—	—	1150	5,5	—	—	1,2	3
World	21500	100	2800	100	6300	100	3500	100	34100	100	7300	100	41,4	100
Share of Ukraine in %	20		21		43		9		23		10		21	
Russian Empire	4400	21,5	800	28,5	3700	58,5	1100	31	10000	29,5	800	11	10,8	26
Share of Ukraine in %	98		75		73		27		79		88		80	

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313 being 13 % and 0.14 ha for the Right Bank Region and 7 % or 0.12 ha for the Left Bank Region. The southern zone has still less (0.08 ha per head) and there is practically none at all in the southern steppe proper.

[311] Thanks to its enormous area Ukraine with its 11 million ha of forest land comes fifth in Europe, but there is only 12 % of forest land in the entire country, and scarcely 0.2 ha per head of the population, while 0.3 ha is regarded as the minimum. The figures for actual forest stock will be still less, as only three quarters of the nominal forest land in Soviet Ukraine (3.1 million out of 4.3 million ha) represent actual forests. Thus the ratio of forest to the entire area of Ukraine would be 9 %. Forestry in those parts of Ukraine that used to belong to Austria-Hungary was on a higher level than in the other provinces; after the war it was highest in Carpatho-Ukraine.

313 The annual increment in timber in Dnipro-Ukraine amounts to 2 cubic meters per ha, in Volynia, Podlakhia and Polesya to 1.9 cubic metres, in Galicia and Carpatho-Ukraine to 3.3 cubic metres, so that the average figure for the entire country is 2.3 cubic metres. This average for Ukraine is low compared with the figure of 5 cubic meters for the state forests of Germany and 4.4 for the communal forests.

313 439 Reckoned per head of the population there is in Ukraine a timber increment of only 0.4 cubic meters, which is far lower than in most of the forest countries in Europe. As a result, wood has to be imported for mining and industrial areas.

Wood imports amounted to 1.8 million t in Dnipro-Ukraine in 1913, and the average figures for 1928/29 and 1933/34 are 3.7 and 4 million t respectively. The average imports to Northern Caucasia for the last year amounted to 1.2 million t, while the figure for the Crimea is 250 000 and for the whole of Eastern Ukraine 5.5 million t. The demand for timber is greatest in the Donets Basin, the Dnipro Bend and also in Kharkiv and Odessa.

Imports consist chiefly of soft woods; a certain amount of valuable oak is even exported from areas that are otherwise dependent on imports. In those parts of Ukraine that belong to Soviet Russia there is 0.16 ha forest per head of the population,

the figure for the Roumanian provinces being 0.25, for the Polish 313
0.36, and 1.05 for the Hungarian provinces. 439 ●

Imports of timber came mostly by water and rail from White Ruthenia and above all from the forests in the middle reaches of the Volga. The wood that was drifted down the Volga was loaded on railway trucks in Stalingrad and transported to its destination.

Hardwoods predominate in the forest stock of Ukraine (59 %). 313
Oak represents 27 %, beech 9 % of the entire forests. Of the 41 % 137
softwoods there is 27 % pine. Pine and oak are the main species in Dnipro-Ukraine, while in Galicia spruce predominates and beech in Carpatho-Ukraine. In the Caucasus species of oak and beech occur most frequently.

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Trade

Domestic and Foreign Trade

471 It was characteristic of the Ukrainian territory that trade was largely in the hands of aliens. To counteract this an efficient system of co-operative organisations grew up and spread over other provinces than trade. This phenomenon will be treated later as an independent feature.

● 439 The foreign trade of Ukraine is of great importance for many other European countries. It must not be judged by conditions of recent years when trade between Ukraine and the rest of Europe has been depressed and any considerable trade in merchandise has only existed with the USSR. We must return to the time before the first World War if we wish to get a true picture of the natural possibilities of exchange of merchandise between Ukraine and the countries of Central and Western Europe, though we must also bear in mind the changes that have taken place in Ukrainian economy and in the entire position of world trade.

Balance and Trade before 1914

No exact balance of trade can be calculated for the Ukrainian national territory for the years before the first World War. Statistics were drawn up in Russia for Dnipro-Ukraine, but they only included 9 provinces, viz. Volynia, Kyiv, Podolia, Chernyhiv, Poltava, Kharkiv, Katerynoslav, Kherson, Tauria (the last three names were often combined as the "South Steppe" or "New Russia"). Parts of Ukrainian territory were omitted from these statistics, e. g. the Kholm district, districts in Podlakhia, in the province of Kursk and Voronesh etc., and the Ukrainian part of the Kuban area was quite isolated. So that

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a balance of trade for Ukraine did not even cover the whole of the central part of the Ukrainian national territory, to say nothing of the areas that are linked up with Russia. 439

Nor did Ukrainian Galicia form an independent unit of administration in Austria; it was administered together with a Polish area, as was the same with the Ukrainian part of Bucovina, which was under Roumanian administration, and Carpatho-Ukraine under Hungarian administration. An approximately exact balance can therefore be calculated only for Dnipro-Ukraine; for the remainder, general estimates only can be given. [431]

Kryvchenko's figures for 1909—1911 give the best idea of the balance of trade for Dnipro-Ukraine before World War I. 1909—1911 were the last normal years for export trade via the Black Sea before the wars between Turkey and Italy and the Balkan wars. In the case of Ukraine which was not an independent state, a distinction must be made between export to foreign countries proper and export to other parts of the Russian empire. And the same distinction must be made for imports. The actual volume of Ukrainian imports or exports is obtained by adding these two categories, and the same holds for other sections of Ukrainian national territory. The "Russian exports from the Ukrainian provinces of the empire to foreign countries" would result in a low figure, which is by no means correct but which is sometimes quoted. The following are the characteristic features of the Dnipro-Ukrainian balance of trade before the first World War; the distinction already mentioned between exports and imports both beyond the frontiers and in trading with other parts of Russia, the latter category being a little in excess of the former; the fact that it was definitely favorable, both absolutely and relatively, particularly as regards foreign countries; the predominant share of agriculture in exports; the difference between the volume and quality of manufactured goods exported to foreign countries and those exported to other parts of Russia; the predominance of finished industrial commodities imported. Turnovers in foreign trade varied greatly, according to whether foreign countries or other parts of the Russian empire were concerned. In 1909—1911 the latter ac-

439 counted for 790 million roubles and were higher by 1/3 than the turnovers with countries outside of Russia (470 million roubles).. As regards exports, this proportion was not very unfavorable, as exports to non-Ukrainian areas of Russia exceeded those abroad only by 1/6. But imports from non-Ukrainian Russia were three and a half times more than those from foreign countries.

Most of the exports were not sent to Russia proper but to Poland, White Ruthenia and the Baltic provinces. The majority of imports came from Russia itself (cotton products). These facts reflect the political situation.

439 457 The balance of trade in Dnipro-Ukraine (1909—'911) was favorable expressed both in absolute and relative values. Exports were 350 % of imports in trade with foreign countries and 115 % in trade with areas in Russia, approximately 170 % in all "foreign" trade. The balance in money was 263, 60, 323 million roubles respectively. It was very high (55.5 %) in comparison with the turnover in trade with foreign countries (475 mill. r.). The figure indicating the extent to which the balance of trade was favorable was much lower (7 %) for the larger turnover (792 mill. r.) with non-Ukrainian areas within Russia, while it was approximately 26 % for the entire turnover (1267 million roubles).

In 1913 balance and turnover had increased to 414 (for foreign trade to 272) and 1 600 million roubles respectively for all trade with countries outside of Ukraine but the relation of one to the other remained the same (26 %). The relation of export to import trade also remained the same (170 %) as both had increased to the same extent. The absolute value of the favorable balance of trade for Dnipro-Ukraine had risen, though relatively it had remained the same. In the entire Russian balance of trade before World War I, on the other hand, the favorable balance sank from 429 million roubles (1591—1162) in 1911 to 347 (1519—1172) in the following year and to 146 million roubles (1520—1374) in the last year before the war. Without Dnipro-Ukraine the Russian balance of trade was unfavorable by 268 million roubles.

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The agricultural nature of Ukrainian export trade is clearly 439 ●
expressed in the balance of trade. 86 % of the entire exports are contributed by agricultural products, if partly manufactured (flour 14 % and, above all sugar, 28 %). In trade with foreign countries the 99 % contributed by agricultural produce is more than impressive while the 74 % share of export trade with other parts of Russia is significant enough. Grain was exported above all to foreign countries and flour and sugar to non-Ukrainian areas within Russia. And here we come to another characteristic of the export trade of Dnipro-Ukraine, its lack of uniformity corresponding to its agricultural origin.

The extent to which exports are manufactured varies in the balance of trade according to whether the commodities were destined for foreign countries or for non-Ukrainian areas in Russia. In the first case the share of industrially manufactured commodities is small (sugar 6 %, flour 2 %) even if we take the products of more intense agriculture into consideration and include animal produce (7 %; total 15 %). In export to Russian countries, on the other hand, this share is high: besides sugar and flour (together 65 %), some products of chemical industry are contained in "other produce". "Metals and produce" (21 %) are not raw materials, but half-manufactured commodities. Without being definitely an industrial land, the Dnipro-Ukraine, in comparison with other parts of the Russian empire plays an outstanding part as a source of industrially manufactured commodities. Such merchandise represents about half of the entire foreign trade, and about 60 % if animal produce is included. But the question is, to what extent are these commodities manufactured? "Metals and products" (11.5 %) are partly half-manufactured. In any case the export trade of Dnipro-Ukraine was quite different according as it was directed to foreign or to Russian countries.

Three quarters of the imports to Dnipro-Ukraine came from other parts of the Russian empire and one quarter from foreign countries. These consisted for the most part of manufactured industrial products (about $^2/_3$ of the entire total) and to a small extent of foodstuffs and luxuries ($^1/_3$). Textiles from Russia (cotton and linen goods) and Poland (woolen goods) formed

●439 40 % of the entire manufactures. Machinery and metal products came principally from Germany, wood from White Ruthenia and Russia, groceries from abroad, but tea partly from or via Russia. Dnipro-Ukraine got petroleum products from Ukrainian areas in Northern Caucasia. Many superfluous commodities were imported (steel, cement, coke, wood and bunker coal, phosphorites and acids), many manufactured goods could be made from available materials.

The balance of trade for the entire Ukrainian territory is in essentials similar to that for Dnipro-Ukraine. In Galicia exports practically balanced imports so that the inclusion of that province in statistics for the entire territory merely increased the turnover figure but not the favorable balance in terms of money. As regards individual items, however, the export of petroleum (products) plays an important part in the balance for the entire territory, for Dnipro-Ukraine imported those commodities, and the same holds for wood which Carpatho-Ukraine also exported in relatively large quantities. The share of animal produce is increased by the addition of Galicia which exported a considerable quantity of cattle, pigs and meat (to Vienna, and partly to Bohemia) and also eggs.

In the Kuban area exports greatly exceeded imports, so that the credit side of the balance of trade for the whole of Ukraine is increased by the addition of this area. It also enhances the position of Ukraine in the world grain market, as grain, and particularly wheat and barley, formed one of the main exports from the Kuban area (86 % of the volume of export trade and probably 60 % of the value in money, though no estimates of money values are available). The export of oil from sun-flowers, oil-cake and tobacco is also characteristic. On the other hand sugar, one of the main articles of export from Dnipro-Ukraine is poorly represented as are also poultry and eggs. Petroleum and petroleum products are among the most important non-agricultural exports which, however, do not include coal, ores and metals.

Balance of Trade after World War I

Changes in the structure of the balance of trade for Dnipro-Ukraine are more important, especially on the export side than

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alterations in volume and turnover. Dnipro-Ukraine formerly used to export a great part of its surplus produce to countries abroad (i. e. beyond the frontiers of Russia); if we remember that other exports were sent mainly to Poland, White Ruthenia and the Baltic provinces, we see that the central area of Russia proper was not much of a market for Ukraine (mostly for sugar).

After World War I and particularly as a result of the economic policy of the Five Year Plan, political relations became decisive also for export, as they had formerly been, at least partially, for import. The nationalisation of production and trade forced export into channels prescribed by the Soviet government to effect as close a connection as possible with central areas in Russia. Export from Ukraine to countries abroad existed only in very modest proportions.

Dnipro-Ukraine balance of trade has not changed much as regards volume or the extent to which it is favorable. If we bear in mind the changes in political frontiers that have taken place since 1913 the pre-war figure for exports of 720 million roubles more or less remains the same for 1934. The favorable balance of 335 million roubles also approximately corresponded to that for 1909—1911, the relation of export to import, 190 %, is rather higher, and so is the relation of balance to turnover (335 : 1105 = 30 %).

But marked changes have taken place in the individual items exported. Agricultural produce sank to 30 %, i. e. a little more than $^1/_3$ of the old level. The export of grain, expressed in absolute quantities, sank from 6.7 to 1 million t (i. e. by 85 %) while the export of animal produce practically disappeared.

The 22 % of sugar exports represented about a quarter of the old figure. Mining produce (coal, ores) rose from 1.6 % to almost 21 %, and the quantity exported to almost 21 million t. Metals and metal products, formerly 11.5 % of value of exports, now account for 50 % and are the most important single item. Ukraine is therefore no longer a country for exporting agricultural produce; it supplies industrial raw materials and products of heavy industry and partly also machinery.

Alterations in imports are not so important in principle, but there are marked changes in the relation of the different com-

• 439 modities imported to one another. Textile products still head the list, they represent 47 % of the entire imports, a higher percentage than before the war. Imports of petroleum and petroleum products in connection with increasing motorisation, is of significance; this item has increased fourfold in percentage from 7.2 to 28.5 % and in volume from less than 300 000 t to almost 2 million t. The figures for the import of wood also show a sharp increase (now 18 %). On the other hand numerous small items of half-manufactured goods and industrial produce, but also of foodstuffs and luxuries have disappeared.

Merchandise Exported and Lands of Destination

The commodities imported into and exported from the Ukrainian national territory have remained essentially the same though changes in volume have taken place. Ukraine is actually or potentially a source of exports, above all of grain, eggs, sugar, salt, coal, iron and manganese ores, heavy iron industry produce, machinery, chemicals etc. Peripheral areas export large quantities of petroleum (products) and wood, while the central area imports them. Ukraine is a market for manufactured industrial produce, specially textiles, also for machinery and tools, partly also for chemical products etc. Central and Western Europe are interested in the export of grain, eggs, coal, iron and manganese ores, and partly also in petroleum (products).

The grain exports from Dnipro-Ukraine must be supplemented by the heavy exports from the Kuban area (1904—1913 = 1.5 million t); the sections of Ukrainian territory included in Austria-Hungary exported very little grain. In the years 1909—1911 eastern Ukraine exported in all 8.6 million t, which represented $^4/_5$ of the entire exports of grain from Russia and $^1/_5$ of world export of grain; this made it first as a land exporting grain in general, first also for wheat, rye and barley, third for oats and fourth for maize (see Table 2).

$^4/_5$ of the volume exported went to countries abroad, and only $^1/_5$ to other parts of Russia, though mostly not to Russia proper but to Poland, White Ruthenia and the Baltic provinces. The main consumers of Ukrainian grain abroad were Germany and

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Holland, i. e. in reality it was Germany as in Holland it was mostly a case of transit trade. In the years 1909—1911 Germany alone imported 2.7 million t "Russian" barley for feeding every year, which came from Ukrainian territory. Russian exports of wheat to Italy also came from Ukraine and they amounted to approximately 1 million t with smaller quantities of other grain. Ukrainian grain was also exported to England, France, Greece etc. Only very little flour was exported abroad by Dnipro-Ukraine.

After the first World War grain exports sank to a fraction of the pre-war amount (about 1/7). The reasons for this were the increased population, industrialisation, alterations in distribution of ownership, but also backward agricultural methods. But collectivisation and the Soviet form of economy introduced into Ukrainian territory did more than those to nip in the bud the favorable signs that were evident before the Five Year Plan.

And still the good harvests of recent years have resulted in an increase of exports from Ukraine to Russia. In 1937 Dnipro-Ukraine alone is said to have exported approximately 4½ million t. A large proportion of this was due to extremely good harvest conditions and almost as much to the ruthlessness with which Soviet officials collected contributions, no adequate allowance having been made for the population of Ukraine. The further increase in grain exports from Ukraine could not be reckoned as a permanent item in Soviet economy and it would be far too optimistic to conclude that such enormous reserves of grain were actually available. But the export figure given above is at any rate a valuable index of the capacity of Ukraine to export several million tons (about 5—7) when conditions are once more normal.

The individual provinces of Ukrainian territory stood first in world export of eggs. Assuming that the export capacity of Dnipro-Ukraine is unchanged, a higher figure would be reached than even for the best egg-exporting countries. Exports of eggs from Ukraine, which had been 90—100 000 t and 20 % of world export (450 000 t), sank in the years before 1927 to 58 000 t and 12% of world export which had risen in 1927 to 500 000 t. As a result of Five Year Plans and collectivisation no more eggs were exported from Ukraine. Most of the eggs exported from Ukraine used to go to Germany and Austria. Sugar was exported

Table 12. Nikopil's supply of world market with

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Export	1900	1901	1902	1903	1904	1905	1906
Nikopil	21	12	6	14	20	37	91
Chiaturi	419	308	444	445	465	334	483
Russian Empire	440	320	450	459	485	371	574
% of Nikopil	5	3,5	1,5	3	4	10	16
Br. India	133	135	158	184	184	331	563
Brazil	108	100	157	162	208	224	121
Gold Coast	—	—	—	—	—	—	—
World Export	925	770	945	955	980	013	1395
% of Nikopil	2,5	1,5	0,5	1,5	2	3,5	6,5

Export	1919	1920	1921	1922	1923	1924	1925
Nikopil	—	—	3	38	38	31	168
Chiaturi	5	176	25	168	353	477	433
Soviet Union	5	176	28	206	391	508	601
% of Nikopil	—	—	10,5	18,5	9,5	6	28
Br. India	388	819	539	891	827	779	751
Brazil	206	454	276	341	234	159	312
Gold Coast	34	44	7	62	138	237	344
South Africa	—	—	—	—	—	—	—
Egypt	—	—	47	—	—	—	42
World Export	775	1570	935	1585	1654	1760	2070
% of Nikopil	—	—	—	2,5	2,5	2	8
Nikopil in world export	—	—	—	5.	5.	5.	5.

from Dnipro Ukraine to Russia and even to Asia, but not to European countries.

Hard coal was exported abroad even before World War I from the Donets Basin. The countries round the Black Sea and the Mediterranean were the main consumers — Turkey, Roumania, Bulgaria, Greece, Italy and France. But no great quantities were exported to those countries In 1931 about 1.2 million tons of coal were shipped in Ukrainian ports, almost ½ million t to Italy, a little less to the Middle East etc. Almost half of the exports (45 %) consisted of anthracite, while most of the coal was sent to non-Ukrainian areas in Russia — more than 16 million t in 1934 (only 7 million t in 1913). The industrial centers of European Russia and the railways depend mostly on Donets coal. In 1934 almost 20 million t of hard and coking coal was exported altogether.

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Manganese ore (1900 — 1937 in 1 000 t and %).

907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918
109	51	65	68	49	78	91	44	—	—	—	0,3
509	395	555	616	586	930	1103	708	—	1,5	4,2	32,5
618	446	620	684	635	1008	1196	752	—	1,5	4,2	32,8
17,5	11,5	10,5	10	7,5	7,5	7,5	6	—	—	—	1
659	516	591	685	634	800	818	515	481	663	445	393
237	166	241	254	174	155	122	184	289	503	533	393
—	—	—	—	—	—	—	—	—	4	30	32
1650	1175	1490	1660	1495	2030	2230	1490	805	1245	1130	1025
6,5	4,5	4,5	4	3,5	4	4	3	—	—	—	—

1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937
211	206	227	239	220	226	37	159	125	64	8	—
472	555	281	743	570	515	382	490	580	580	606	1001
683	761	508	982	790	741	419	649	705	644	614	1001
31	27	44,5	24,5	28	30,5	9	24,5	17,5	10	1,5	—
623	857	848	980	785	425	306	382	516	879	750	997
320	242	362	293	192	96	21	25	2	61	166	241
350	375	330	426	424	251	51	269	345	405	418	536
—	—	—	—	48	105	3	22	66	81	208	483
48	37	44	22	22	14	8	—	12	7	65	64
2050	2400	2180	2710	2235	1640	830	1390	1715	2120	2260	3450
10,5	8,5	10,5	9	10	14	4,5	11,5	7,5	3	0,5	—
5.	5	5	5.	4.	4.	4.	4.	4.	5.	—	—

The export of iron ore was greatly restricted by the heavy demands of domestic consumption, as most of the ore was utilised by domestic heavy iron industry. In 1908—1915 about 1 million t ore, i. e. 20 % of the amount mined then, were exported from Kryvyj Rih beyond the frontiers of Dnipro-Ukraine. 380 000 t of that amount were sent to non-Ukrainian areas of Russia, mainly to Poland, 870 000 t were exported to foreign countries, 445 000 t by sea.

Germany, the main market for Ukrainian exports in ore, took almost all the quantity sent overland (225 000 t) and also a considerable quantity of the iron ore sent by sea, partly via Holland; it consumed in all 79—99 % of all the iron ore exported from Ukraine, the amount varying with the year.

Before World War I the Georgian deposits in Chiaturi were the main source of the exports abroad of manganese ores. The

● 439 Ukrainian manganese ores at Nikopil were reserved for domestic consumption. Still in the five years from 1910—1914, 65 700 t were exported abroad, scarcely 7.7 % of the total Russian export and 3.7 % of world export. In the time between 1925—1929 the exports of manganese ore from Nikopil reached a height of 210 000 t annually (30 % of the Soviet and 9 % of the world export) but sank during the next five years to 153 000 t and ceased altogether in 1927 in consequence of the increasing needs of the USSR for domestic consumption.

In the years when it was exporting most (1925—28) Nikopil exported 200 000 t mainly to 6 countries. Germany took 43 % Luxemburg 31 %, Poland 10 %, Italy 8 %, France 5 %, England 3 %. But Nikopil manganese ore was also exported to non-Ukrainian areas of USSR. In the years 1930—1934 Ukrainian production of pig-iron amounted to approximately 54 % of the figure for USSR. During the same five years manganese ore production in the USSR amounted on an average to 1 185 000 t. Of this amount 661 000 t are deducted for export, so that the amount consumed was 524 000 t, in Ukraine 335 000 t. But Nikopil delivered 423 000 t for home consumption, so that Ukraine exported to non-Ukrainian Russia 88 000 t. This added to the figure for exports abroad gives approximately 240 000 t i. e. 15.5 % of world production of manganese ore (5th place). (See Table 12).

Petroleum and petroleum products were exported from Galicia and Northern Caucasia. Only when we include Groznyj Ukraine has a considerable excess of exports over imports, as Dnipro-Ukraine does not import more than 2 million t (in 1934) and only 500—800 000 t more than the amount produced in the Ukrainian territory in the Kuban area. 3—3.5 million t of the oil produced at Groznyj would remain for export, and also the amount produced in Galicia (½ million t). In 1935 Galician oil was exported partly to Poland (about 200—240 000 t) and partly abroad (170 000 t), mostly to Germany.

4: Allen H-4 (no date) 1941 RD1 Ukraine RD1

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But if the Occupation authorities were not much interested in the *Rada*, they could not help being interested in the Government which depended upon the *Rada* and which had undertaken, under the terms of the Peace Treaty, to procure supplies and raw materials for Germany and Austria. In order to comply with the formalities of diplomatic etiquette, the all-important clause of the Treaty had been worded in a somewhat vague and delicate way. Clause 7 ran as follows: 'The contracting parties mutually undertake to enter into economic relations without delay and to organize the exchange of goods on the basis of the following stipulations: until 31 July of the current year a reciprocal exchange of the surplus of their most important agricultural and industrial products for the purpose of meeting current requirements.' It proceeds to lay down that 'the quantities and classes of products shall be decided in the future by a special mixed commission'. It had only been in private conversations between the respective Delegations that the million tons had been mentioned.

The energetic and experienced Groener was entrusted with the realization of Clause 7, and for this purpose he established in Kiev the *Deutsche Ukrainische Kaufmännische Wirtschaftstelle*. This institution elaborated a detailed and rational mode of action. The Mixed Commission set up under the Peace Treaty sat for a long time before it could assess the classes and quantities of goods to be extracted from the Ukraine. At last, on 8 April, a Protocol was signed which formed a special Appendix to the Peace Treaty, and according to which the Government of the Ukrainian 'Popular Republic' undertook to send to Germany and Austria-Hungary a million tons of grain, 400 million eggs, cattle to the weight of about 46,000 tons, a great number of horses, a considerable quantity of coal, manganese, fodder, sugar, lard, etc. After the Protocol was signed it was not long before it became apparent that the theoretical calculations of General Groener would not be easy to realize in practice.

Field-Marshal Eichhorn himself gave vent to his scepticism when he grumbled that 'the whole trouble is that we have to treat this Ukraine as a friendly country'. But Baron Mumm hastened to retort: 'In my opinion it is absolutely necessary to keep up the fiction that the Ukraine is a friendly and independent country; otherwise we shall completely destroy the already shaky authority of the *Rada*.' General Hoffmann had no great confidence in all the methodical plans of General Groener and expressed the view that it would have been much better to have entrusted the whole business to Jewish intermediaries. By March, instead of the promised 300 train-loads of grain, only one train had arrived for Vienna and one for Buda-

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4: Allen H-4 (no date) 1941 RD1 Ukraine RD1

728 439 Pest. In April the situation somewhat improved, but it was evident that there was no hope of receiving by the end of July any substantial proportion of the goods which had been stipulated under the Peace Treaty. It became clear that the enthusiastic delegates of the 'Popular Republic' had greatly exaggerated the agricultural wealth of their country. They had had in view 'potential possibilities', but they had quite failed to take into account the actual state of affairs in the spring of 1918. During the whole of the preceding year agrarian disorders had been taking place. The peasants had appropriated lands, and the countryside had been swarming with ex-soldiers who had completely lost their morale and who, although they had quitted the front, had no wish whatever to return to peaceful occupations. Under such conditions the harvest of 1917 had not been gathered as it would have been in normal times; and, furthermore, no one knew to whom what had actually been gathered really belonged. The cattle of the landowners had been in great part slaughtered or driven off when the Red Guards made their appearance in the Ukraine during the winter of 1917; the sugar factories were standing idle. At the same time, the well-to-do peasants had quickly learned to hide their grain and other produce, and they were no more willing to deliver to the Germans than they had been to the Bolsheviks.

As a result of all this, during the whole period of the Occupation, the Germans only succeeded in exporting 9293 wagon-loads of grain; 23,195 wagon-loads of fodder, sugar, cattle, eggs and other products; and 4567 wagon-loads of minerals (coal, manganese)—as a whole 37,000 wagons under the auspices of the *Wirtschaftstelle* and 5000 through 'private initiative'. This tonnage amounted to scarcely a fifth part of what had been expected before 31 July 1918. And even the quantities which Germany succeeded in securing were delivered after the Government of the *Rada* had given place to that of Hetman Skoropadsky, and for the most part during the first three months of the latter régime.

[642] 727 The failure of the *Rada* in 'the economic collaboration' with the Germans was the reason for its downfall. When the Germans came into the Ukraine their inspection of stocks of supplies not only revealed the relative scarcity of these stocks but also the chaotic state of Ukrainian economy at that moment. The estates of the landowners had almost completely disappeared, and the peasants had appropriated the land. This action of the agrarian proletariat had, however, received no legal sanction, and the *Rada* had not yet elaborated any land laws. To the Command of the *Heeresgruppe Kiev* the practical and not the legal state of affairs was important. Field-Marshal Eichhorn therefore issued an 'Order to the Ukrainian popu-

4: Allen H-4 (no date) 1941 RD1 Ukraine RD1

arms, after which they were allowed to go home with the exception of a few of their number, including several cabinet ministers, who were arrested on the spot. On the following day, during a meeting of the Union of Cornraisers, Paul Skoropadsky was proclaimed 'Hetman of the Ukraine'.

Skoropadsky remained Hetman for about seven-and-a-half months and resigned when the Germans were evacuating the Ukraine. Those seven months can be divided into two distinct periods: the first until the middle of August and the second until the end of November.

During the first period the Germans found that their manœuvre had been crowned with comparative success. In July, particularly, supplies of grain and coal were delivered at a regular and rapid tempo. The Germans, again, succeeded in securing thousands of horses of which they were badly in need, not so much for the cavalry as for the artillery and transport services. In Berlin and Vienna bread reappeared and meat and sugar was to be had in considerable quantities. Skoropadsky's Government turned out to be much more capable than that of the *Rada*, perhaps for the reason that the Hetman did not bother about any ideology whatever. The Foreign Minister, Doroshenko, was not over-burdened with work, but the energetic Minister of the Interior, Igor Kistyakovsky, and the Minister of Commerce, Gutnik, had plenty to do. Berlin and Vienna placed at the disposal of the Government the quantity of Marks necessary to cover the issue of 400,000,000 *karbóvantsi* (about 300,000,000 Marks) issued by the Hetman; and for this reason the *karbóvantsi* enjoyed a greater credit with the people than had the 'paper' of the *Rada*. In the meantime 'a real General', General Ragoza, formerly commanding the 4th Russian Army, undertook the task of organizing the Hetman's army. Not only officers of Ukrainian origin, but officers from all over Russia freely enlisted in it.

The historian of Brest-Litovsk justly remarks that in June 1918 'the Ukraine became for a short time a bourgeois Mecca and thither flocked thousands of refugees from Soviet Russia' (Wheeler-Bennett, p. 323). Kiev rapidly lost even that 'shade of Ukrainism' which it had worn in the *Rada* days. Baron Mumm, the German Minister Resident, was depressed by this aspect of affairs when he wrote to Groener: 'I tried to insist with the President of the Council of Ministers Lizohub that the German Government desires his cabinet to have more of *couleur locale*.' Mumm altogether was not particularly pleased with the *coup d'état*, since the military men had not asked his opinion about it and had not even troubled to let him know before it was accomplished. In another report Mumm suspects the Hetman's Government of being 'pro-Russian', but adds that 'this should

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CHAPTER VII

THE ECONOMIC HISTORY OF THE UKRAINE

§1. AGRICULTURAL HISTORY OF THE UKRAINE

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In the political mythology of the twentieth century the legend about 'the vast riches of the Ukraine' has played, and is destined to play, a certain part. In history the Ukraine will take place with the Route to the Indies, the North-West Passage, Golconda, the Empire of Prester John, and other phantasmagorias of the human mind which in their time have inspired the nations to the drama of effort and the tragedy of conflict.

In the modern world where generalization has displaced religion and where the generation made literate by popular education has thrown up 'Leaders' who are adepts in the exploitation of generalized ideas, it was inevitable that movements based on facile and false scientific, geographical and ethnical conceptions should become fashionable. 'The wheat-fields of the Ukraine' form a roseate hinterland to the Nordic Race and the Classless State in the dream-world of the masses of Central Europe. Apart, therefore, from the intrinsic interest of the subject, it becomes a matter of current importance to analyse the extent of the real resources of the Ukraine and their actual and potential relation to the economic problem of Europe.

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There exists a widespread idea that the Ukraine was 'the granary of the Russian Empire', but in reality it would be difficult to indicate the period to which this idea could be applicable. Certainly, during the eighteenth century, as the Tartars and Turks were driven from the mouths of the Ukrainian rivers, a period of progressive prosperity set in. But under Alexander I, during the Napoleonic Wars, the bulk of the grain supply of the Empire was drawn from the southern regions of Central Russia—from the Governments of Orel, Kursk, Voronezh and Tambov. This source of supply was adequate in view of the numbers of the population at that period, and the state of the roads between the Black Sea provinces and Central Russia put a prohibitive cost on transportation from the south.

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During the reigns of Alexander I and Nicholas I export abroad developed through Odessa and the Azov ports—Taganrog and

4: Allen H-4 (no date) 1941 RD1 Ukraine RD1

439 Mariupol. The supply came from the big New Russian estates and from the German, Moldavian and Serb colonies founded in the eighteenth century. Towards the middle of the century the agricultural production of the Ukraine and the New Russian Governments began to form an important proportion of the general production of the Empire, but still these regions could not be called 'the granary of Russia' on account of the continuing lack of proper means of communication with the central provinces. The upper Dniepr and the upper course of the western Dvina were too shallow to serve adequately the needs of modern transport, and as late as the Crimean War the Russian railway system had not been extended south of Moscow.

496 The first important imperial trunk lines were constructed during the sixties and seventies: Moscow-Kursk-Kharkov-Rostov-on-the-Don (with branch lines from Kursk to Kiev and from Kharkov to the Crimea); Moscow-Voronezh-Rostov-on-the-Don (with extensions to the northern Caucasus); Petersburg-Vilna-Rovno-Kiev-Odessa; Kharkov-Kremenchug (on the Dniepr)-Nikolaev. Railway construction had taken the 'meridial' direction: the economic axis of the Empire during the three decades 1860–90 ran from 'the industrial north' to 'the agricultural south'.

The new railway system improved the conditions for the export of Ukrainian and New Russian grain through the Black Sea ports. At the same time access to the north was provided by the railway 'diagonal' connecting Orel (on the Moscow-Kursk line) with Riga: this 'diagonal' continued to the south-east through the northern part of the Don region to Tsaritsyn on the lower Volga. Further, a special 'grain line' linked the Ukraine with the Baltic: starting from Kremenchug on the Dniepr, it passed through the Governments of Poltava and Chernigov, White Russia and Lithuania to the new ice-free port of Libava (Libau).

311 It thus began to appear that the Ukrainian and New Russian provinces were indeed to become the granary of the Russian Empire. But the colossal economic potentialities of the outlying [496] quarters of the Empire, which began to come into development during the second half of the nineteenth century, very soon overwhelmed this comparatively modest conception. In the seventies the first 'latitudinal' railway threw a bridge across the Volga at Samara and was continued as far as the southern Urals. The steppes beyond the Volga offered immense new space for agricultural exploitation. In the meantime the conquest of the Caucasus had been completed, and the rapid expansion of the economic life of the Kuban and Terek regions had begun. Soil conditions in the northern

4: Allen H-4 (no date) 1941 RD1 Ukraine RD1

the New Russian Governments) there were over 1 million hectares under beetroot. Just before the last war the annual production of beet in the Ukraine reached 150 million quintals: i.e. 18 per cent of world production. The production of Ukrainian beet sugar ranked fourth—after that of America, Germany and France. In 1913 the Ukraine produced 11 million quintals of crystallized sugar. This output, together with that of the Polish factories, covered all the needs of the internal market (which during the preceding twenty-five years had augmented fourfold) and provided substantial surplus for export to the Baltic and the Middle East.

In addition to the beet processing plants, about 60 per cent of the alcohol refineries (corn, potatoes) of the Empire were located in the Ukraine. The production of vegetable oil (particularly from sunflower seed) was also important.

It has been estimated by the Soviet paper *Pravda* that approximately 1 milliard of rubles a year was paid for services on the semi-industrialized estates of landowners throughout Russia: of this sum a considerable proportion was paid for the hire of horse transport (since landowners did not maintain a large number of draught horses but hired from the villages). Of this milliard, about 300,000,000 were paid out in the Ukraine. As the peasant population of the Ukraine numbered about fifteen millions, some 20 rubles a year per head of the population was earned on 'supplementary' work on the large estates. 'Only owing to the sugar and other agricultural industries could the dense population of the Ukraine exist in such comparatively well-to-do circumstances.'

Thus the agricultural economy of Podolia, Volhynia, Kiev, Chernigov and Poltava was based only partly on the production of cereals. With a population which reached nearly twenty millions, only about 2 million hectares were under wheat, while in New Russia, with a population about half that of the Ukrainian Governments, there were 4 million hectares under wheat. The Ukraine exported only small quantities of wheat to Poland and White Russia, which provinces drew the bulk of their supplies from New Russia. The real 'granaries' of Russia which supplied the whole Empire and exported a surplus abroad were the regions of the northern Caucasus and Trans-Volga with western Siberia and New Russia (including the Governments of Kherson and Ekaterinoslav with the northern part of Tauris and the southern part of Kharkov) In those regions the black earth really had a virgin quality during the first half of the nineteenth century; and its richness remains exceptional even now.

As a rule, the climatic conditions in the *New Russian Governments*

land in the Ukraine and New Russia: of 25 million hectares of arable, 6½ million were under wheat, and of these 4½ million were in New Russia. Ukrainian and New Russian production attained 90 million quintals a year, of which 70 million came from the New Russian Governments. (In addition, the Ukraine produced for internal consumption about 30 million quintals of rye—in the northern districts—nearly as much barley, and about 20 million quintals of oats.) The wheat crop of the Ukraine and New Russia represented 8 per cent of the total world, and 18 per cent of European, production. With an average production of 70 million quintals a year, the New Russian Governments could throw an important surplus on to the world market. Before the Revolution about 76 per cent of the crop was retained in the villages for food, storage and seed (on the larger mechanized estates and co-operative colonies the average was round 70 per cent). The balance, about 20 million quintals, went on the market: of it about one-quarter was absorbed by the towns and industrial centres of New Russia. Under these conditions the three New Russian Governments had available for export abroad 15 million quintals of wheat, i.e. about 1½ million tons. The crop of New Russia and the northern Caucasus was exported to the Ottoman Empire, Greece and particularly to Italy, where the 'hard' types of grain were appreciated as an ingredient of macaroni and other *paste*. Even after the last war and all the ruin of agriculture resulting from the Revolution, the Soviet Press, in 1929, could boast that about 1½ million tons of wheat had been exported through the New Russian and North Caucasian ports (Professor Brutskus holds that this export—the relation of which to total production greatly exceeded pre-War proportions—was one of the factors in preparing the way for the terrible famine of 1932).

'From remote times the Ukraine and New Russia were famous for their draught oxen. Further, many landowners possessed herds of foreign cattle, principally Swiss breeds. All the German colonies bred good milkers' (Shcherbatov). In 1914 there were estimated to be over 9 million head of cattle, 6 million sheep (numbers of them of valuable breed) and 5 to 6 million pigs in the Ukrainian and New Russian Governments (the pigs predominated in northern and western Ukraine and sheep in the New Russian steppes). South Russia, an ideal horseman's country, possessed also a vast number of horses. Before the last war there were reckoned to be 5½ million horses in the Ukraine and New Russia (1 horse to every 5–6 people, and one-sixth of all the horses in the Empire). Government studs, and those of private landowners and of certain *zemstva*, maintained

payment of a specific amount of tax in kind and left to the peasant the rest of his crop. In an endeavor to get this grain into Russia, the government offered to buy it but it did not have the funds or the inclination to pay for it at the market price. The financial reforms connected with the introduction of the chervonets could, to a certain degree, make it expedient for the peasant to sell to the government for cash, and as time went on the peasant gained the power of selling his crop for cash but the Moscow control of transportation and the prohibition of large scale trading left him helpless and he saw himself forced to dispose of it locally or to the government. Then the government made a fixed price which was far below that of the free market, and was often scarcely a third of the amount that the peasant could have secured. This sale of large quantities of agricultural products at a fixed price gradually became the rule and was one of the signs that the period of toleration for private income was coming to an end.

In 1925, the government began to clamp down on the small traders, the Nepmen, who had profited by the opportunities which they had had. Again it had a large choice of measures. Thus, depending on the situation, it could invoke laws against the hiring of labor; it could order the state agencies to refuse to buy from or sell to an obnoxious individual and thus isolate him; it could suspend his ration cards and perquisites, take away his right of voting and thus make him a pariah in the community; it could levy prohibitive taxes which would put him out of business and confiscate his property; or it could find some violation of some other law or regulation and imprison or exile him.

The degree of pressure which was put upon the peasants and the workers varied from year to year. Each year Ukraine was compelled to export more to Russia without regard to the needs of the local population. Thus, the amount of grain rose from 1,050,000 tons in 1924-5 to 3,165,000 tons in 1926-7, when there was a bumper crop, but in 1927-8, when the harvest partially failed and there were signs of need in the country, the amount collected and exported rose to 4,353,000 tons. At the same time, the continually increasing demands aroused again a spirit of oppo-

sition and of indifference among the peasantry and a resentment against the growing exactions of the Soviet regime in Moscow.

Still these were years of relative peace. With the introduction of the New Economic Policy, the government became more tolerant of differences of opinion and the OGPU (the Organization of the State Political Administration, the new name for the old Cheka) was relatively inactive. There were few political arrests, imprisonments, executions and deportations and the bulk of the population began to breathe more easily. There were men, however, who saw the straws in the wind. For example in 1924, Mikhnovsky, who had been one of the early Ukrainian nationalists, committed suicide and so did Syrotenko, a prominent Social Revolutionist, but these were in a way exceptional cases.

It is far more likely that this lull was part of the Moscow policy of preparing to eliminate in one swoop all persons who might prove to be dangerous, but it was also affected by the confusion and the intrigues that were going on in Moscow. With the death of Lenin, there was no clear successor to his post and prestige. There were many claimants, notably Stalin and Trotsky. When Lenin died, the power passed into the hands of a small group of leaders with Stalin, the Secretary of the Communist Party, and Trotsky as Commissar for War as the main contenders for the supreme power. The struggle between these two men lasted for several years, with the star of Stalin rising over that of Trotsky who favored a far more rigorous policy toward both the Nepmen and traders in the cities and the kulaks or kurkuls (the richer peasants) who had profited materially by the opportunities for private trade and production. It was not until that conflict was over that any one dared to risk the internal upheaval that might come with a change from the avowed outlines of the New Economic Policy and a reintroduction of more rigorous socialist or communist practice.

8: Fedenko H-4, 5 (no date) 1951 RD1 Ukraine RD1
Soviet Union R1

INTRODUCTION

The author of this book is a historian. He has taken part in the Ukrainian national revolution from 1917 on. The book has been written to fix facts that are very often forgotten in the world, or are given a false interpretation in the various books on the Eastern European problem.

The principal fact from which the whole fatal conflict between Ukraine and Soviet Russia arises is that Ukraine has a democratic tradition created by the preceding historical evolution. Modern Russia is a continuation of the Muscovite Tsardom that has grown on the foundations of eastern despotism. For this reason Russia has not created a democratic tradition of its own up to this day and has a "considerable lack of European tradition", as it has been stated by the well known Russian historian Klyuchevsky. Therefore Communist dictatorship so easily seized power in Russia after the revolution of 1917, while the other peoples of the former Tsarist Empire, Ukrainians, Finns, Estonians, Latvians, Lithuanians, Georgians, etc., created democratic states of their own.

The tragedy of the unhappy neighbours of Russia is that Russian imperialism in the past and present times has been principally directed against them, has enslaved and even exstirpated them.

The Ukrainian nation occupies a particular place in Eastern Europe both by its number, circa 35 millions, and by its geographical position, and especially by its large natural resources*). The famous British political writer Professor R. W. Seton-Watson states that the Ukrainian problem has been one of the reasons for World War I 1914—1918. It is generally known that the conquest of Ukraine was the principal aim for Hitler's 'Pressure to the East'. Thus World War II had the struggle for Ukraine as one of its reasons too.

We are living in a time when imperialism is being condemned as one of the greatest evils to mankind, but we see at the same time

*) The most important natural riches of Ukraine are: coal (Donets Bassin), iron ore (Krivoy Rog), oil (Boryslaw), manganese (Nikopol). The export of grain from Ukraine to Western Europe until 1914 was higher than 5,5 mil. tons per year. The production of sugar and spirit was very important. The export of agricultural products from Tsarist Russia came in its great part from Ukraine.

731 656 "necessary to request the ARA (American Relief Administration) not to split its forces, *but to concentrate them entirely on the Volga area*" (p. 248).

Professor Fisher remarks in his book:

"The policy of the Communist Party with respect to the Ukraine famine presents many curious aspects. Not only did the Moscow Government fail to bring the Ukrainian situation to the knowledge of the American Relief Administration as it did other regions much more remote, but it actively discouraged... anything likely to bring the Americans in contact with the Ukraine... Before the ARA had begun its operations (January, 1922) the Moscow and the so-called Kharkov Government did not undertake anything serious for the aid to the hungry people of Ukraine" (H.H.Fisher, *The Famine in Soviet Russia:* New York, 1927). Further, Prof. Fisher says in his book:

"From the first the Moscow Government had discouraged all proposals which tended to bring the ARA into contact with the Ukraine. Litvinov (at that time Deputy Commissar of Foreign Affairs, *P. F.*), had described the port of Odessa, back in the fall of 1921, as out of the question for ARA operations, although it was subsequently used very successfully. It is also significant that, until the ARA had investigated and established outposts in the south, Moscow virtually ignored in its press the famine conditions along the Black Sea..." (p. 252).

731 656 4:9 Prof. Fisher states that the Russian Communist Government exported food from the hungry regions in Ukraine:

"It is astonishing enough that these trainloads of food have been loaded in Kiev and Poltava and sent hundreds of miles to the hungry along the Volga, instead of being transported a score or so miles across the Gubernia line to Odessa or Nikolaiev, where there was a first class famine in swing. It is even more astonishing, when one learns... that Odessa Gubernia, with a crop of only seventeen per cent of normal and with people dying of hunger in the streets of its principal town as well as in the huts of its villages, sent sixty-five cars to Central Russia, while Nikolaiev, with a crop only four per cent of normal, and containing in the city of Kherson the most desperately afflicted spot in South Russia, in fact, one of the worst in the entire country, sent eight cars to the Volga" (p. 261).

On the export of grain from Ukraine during the famine of 1921/22 the American historian brings the following facts:

"The Gubernia of Podolia produced a considerable food surplus. The adjoining Gubernia of Odessa had a deficit, and many people were doomed to starve if food were not brought in. According to

the scheme officially outlined for the good of Russia, the surplus food in Podolia should not be used to save the lives of the peasants in Odessa, a few miles away, but should be carried through the starving regions, placed on board a steamer and sold in Hamburg ..." (p. 323).

A representative of the Relief Committee of Fridtjof Nansen who was in Ukraine at the beginning of 1922 gives the following facts on the famine:

"Eight million souls are starving in the south of the Ukraine, 2½ millions of them have absolutely nothing to eat. A further 2½ millions are feeding themselves on substitutes, such as hay, dried plants, etc., but are not getting any normal meals; three millions have some supplies, but in such small quantities that they will soon be reckoned in the first and second categories. It may be said that before the end of April 7 million souls will come under these two categories. About 700,000 little children who have been brought into municipal asylums do not receive more than one fifth of the normal portion. Child mortality is tremendous. It reaches 50%. In Zaporoje one million souls are litterally starving. 60% are children. Cannibalism is spreading. Ten thousand people die in Zaporoje daily. All the cattle and the horses have been devoured". (*La famine en Ukraine:* Genève, 1922).

The representative of the Nansen Relief Committee gives a picture of the famine in Ukraine as follows:

"The country side is parched, without trees or plants, almost entirely black. The straw of the roofs is being used to nourish men and animals. People relate that they first ate up all dogs, cats, crows that they could catch and then took to the starving cattle, to boot-leather and furniture wood. You hear accounts and find evidence of necrophagy and cannibalism. You speak with people who have devoured their children, their brothers and sisters. You see skeleton-like human forms lying in the peasant's huts, dying, or waiting without hope, to be rescued by death ... Usually no one takes the trouble, or no one has sufficient energy to bury the dead".

In the time when the Ukrainian people were starving in masses, the Russian Government took care only of the aid for the hungry along the Volga. The representative of the Nansen Relief Committee in Ukraine wrote in his report of 1922:

"At the beginning of this year one could have seen in famine-stricken districts of the Gouvernement Nikolaiev such proclamations: 'Workers of Nikolaiev: Come to the assistance of the famine-stricken of the Volga region!' This happened at a time when this

9: Prothero G-4 (no date) 1920 RD1 Ukraine RD1

The navigable length of the principal rivers is as follows: 487

	For Shipping. Miles.	*For Rafting only. Miles.*
Dnieper	1,250	136
Desna	537	166
Dniester	521	35

All the above-mentioned waterways suffer in common from four serious defects. (1) They are frozen for a considerable period of the year. In the basin of the Dnieper traffic was only possible in the first ten years of this century for an average of 230 days above the rapids and 250 below. Other rivers are in a similar case. (2) The volume of water falls rapidly in summer, and in dry seasons lack of water impedes navigation seriously. (3) Wholesale cutting down of the forests on the banks has led to alteration of the beds of the rivers and the splitting up of the channels. (4) Works for the improvement of navigation scarcely exist, not even the most urgent having been undertaken. 487 502

The principal cargoes carried are breadstuffs, wood, and coal. Cereals are embarked in great quantities on the lower Dnieper and Southern Bug for shipment abroad from Kherson and Nikolaev. The upper Dnieper and the Dniester carry timber. 505 439

Navigable canals do not exist in the Ukraine. Should the scheme for a Dvina-Dnieper canal materialize, it would have a noticeable commercial effect upon the towns of Kiev, Yekaterinoslav, Alexandrovsk, and Kherson. 503

(c) *Railways*

Railway System.—There are in the Ukraine three great railway centres, viz. Kiev, Kharkov, and Yekaterinoslav. 496

1. From Kiev a line runs in a westerly direction to Sarny and Kovel, continuing thence to Cholm and Warsaw.

A second line goes in a north-easterly direction to Bakhmach, thence *via* Kursk and Orel to Moscow.

9: Prothero G-4 (no date) 1920 RD1 Ukraine RD1

504 from its mouth. There are two entrances from the sea, the Rvach and Zbarev channels, the former being 22 ft. deep, the latter only 10 ft. There are three loading berths at a quay, respectively 420, 125, and 425 ft. long, but vessels mostly load in the stream from lighters by means of floating cranes, of which there are 22, or by using their own winches. Vessels are allowed to load up to 23 ft. owing to a recent improvement in the channel. A new quay to accommodate 18 steamers is under construction.

Berdyansk roads are protected by a long semi-circular sand-spit from all winds except the south-west. There is 14–16 ft. of water in the roads. The harbour is protected from all winds by a breakwater 700 yds. in length, parallel with and half a mile distant from the shore line in front of the town. A dredged channel, 1½ miles in length and 10½ ft. deep, leads up to the western end of the breakwater. Quay space is at present deficient, but a first-class port is projected and partially under construction. The harbour is being dredged to increase its general depth to 20 ft.

Mariupol harbour consists of an area on the open foreshore enclosed by two moles. The entrance channel is dredged to a depth of 24 ft., and the depth in the anchorage inside the moles is 22–26 ft. Within the harbour, 440 yds. from the shore line and parallel with it, is a breakwater 500 yds. long. The inner harbour inside this breakwater is reserved for vessels loading coal Against the quays, where rails run alongside, there is a minimum depth of 12 ft. and a maximum of 24 ft. There are two hydraulic elevators for loading coal, but much coal and all grain is loaded by hand, and mechanical appliances are greatly needed. Mariupol is considered a harbour of first-class importance, and extensive improvements of all kinds are projected.

505 431 *Nature and Volume of Trade.*—Odessa, Nikolaev, and Kherson export cereals and other agricultural products; Nikolaev also exports great quantities of iron-ore and Kherson timber. Many vessels arrive in ballast

9: Prothero G-4 (no date) 1920 RD1 Ukraine RD1

to carry these goods. The imports consist of machinery, manufactured goods, colonial and tropical products, and chemicals; Odessa also imports coal from the Donets region, which is shipped at Mariupol or Taganrog.

The export trade of Berdyansk is chiefly coal, iron-ore, and grain. Mariupol principally exports Donets coal. The imports of both places are general, but a large proportion consists of chemicals and particular minerals required in the iron and steel industry in the Government of Yekaterinoslav.

The number and tonnage of the vessels entering the above-mentioned ports in 1910, and the amounts of the exports and imports, are shown in the following table:

	Total vessels entered.	*Tonnage.*	*British vessels entered.*	*Tonnage.*	*Imports (tons).*	*Exports (tons).*
Odessa	848	1,596,217	174	388,136	566,743	1,736,029
Nikolaev	544	1,126,441	315	676,834	178,790	2,070,419
Kherson	152	330,260	131	288,789	104,693	844,919
Berdyansk	180	269,365	38	65,492	28,693	416,451
Mariupol	231	394,451	67	119,242	266,693	1,587,161
				Total	1,145,612	6,654,979

The respective values of the exports and imports are more difficult to ascertain, but the difference in value is certainly not so great as that in weight. For some years before the war, the value of the exports of the whole of Russia exceeded that of her imports by about 40 per cent., and the proportion for the Ukraine ports is probably about the same.

Adequacy to Economic Needs; Possibilities of Development.—The Ukraine Black Sea ports would appear, on the whole, to be equal to the demands put upon them; in fact, there is severe competition between Odessa and Nikolaev. The recent improvements at Nikolaev have inspired the Odessa authorities to apply for powers to carry out great extensions, but so far these have not been granted, as the central authorities held that there was no prospect of a good return on the capital that would be required.

9: Prothero G-4 (no date) 1920 RD1 Ukraine RD1

467 missionaires, dock and wharf laborers, outdoor servants, &c. The members of *artels* in the second group always receive employment in preference to other workers, as their trustworthiness is guaranteed by the *artel*, and the fact of their membership is some guarantee that they are efficient.

The *artels* are democratic and useful institutions, and, in a country where promptness and trustworthiness are somewhat rare qualities, they play a most valuable part in giving a measure of confidence and security to both employers and workmen.

(2) Agriculture

(*a*) *Products of Commercial Value*

243 The agricultural industry is the largest in the Ukraine, and employs the great majority of the [434] population. The black-soil region extends over most of the area, only the Governments of Kiev, Podolia, and Chernigov, and the borders of the Black Sea, lying [433] outside it. It follows that the suitability of the Ukraine [439] for cereals is equal to that of any part of the world, and its surplus crops form a considerable proportion of the world's food-supply.

243 433 The mean area under cultivation in the period 1901–5 was 52,000,000 acres, producing 20,700,000 tons annually. Of this total, 45,600,000 acres were under breadstuff crops, and produced 15,000,000 tons. For the year 1914, the figures were 56,300,000 acres, producing 23,000,000 tons. Of this 50,400,000 acres were under breadstuff crops, with a return of 15,900,000 tons.

243 439 *Rye* is the principal crop, and is produced on the peasants' lands more largely than any other cereal. It is the staple breadstuff of the country, and the internal consumption absorbs a large part of the crop, a minor quantity only being exported. In some years the crop is not sufficient for the home demand, and the peasants have to use imported flour or substitutes.

Wheat is next in importance, and provides the largest surplus for export. It is mainly grown on

9: Prothero G-4 (no date) 1920 RD1 Ukraine RD1

privately-owned lands. The failure or success of the Ukraine wheat harvest has its effect upon the corn exchanges of the whole world, and its shipment from the Black Sea is the occasion of much anxiety and speculation every season.

Barley is largely grown and exported, being principally raised on privately-owned land. *Maize* comes next in value; the greater part of the crop is consumed locally, but a moderate quantity is exported in good years. The *oat* crop is valuable, and a proportion remains for export after the supply of local needs. *Millet* and *buckwheat* are grown for local use.

Of the non-cereal crops, *potatoes* take the first place, exceeding all others by a large margin. They are used not only for food and the manufacture of potato flour, but for the distillation of spirits, a flourishing industry in many districts. Small crops of *peas*, *beans*, and *lentils* are also grown.

The *sugar-beet* is raised in great quantities, especially in the governments which have not the black soil. Kiev produces most, Podolia and Kharkov come next; the remaining Governments have only small crops, and Taurida and Yekaterinoslav none. There is usually a large surplus of refined sugar for export, in addition to a valuable internal trade in sugar and manufactures thereof; the by-products of cattle food and spirit distilled from molasses increase the value of this crop.

Tobacco used to be widely cultivated except in the black-soil zone, but its cultivation is steadily decreasing everywhere. It still remains important in the Governments of Poltava and Chernigov. Only the coarsest qualities are raised, the leaf being known as *makhorka* and used solely by peasants and labourers.

Volhynia grows a large quantity of *hops*, about half the total yield of all Russia. The product is mostly sold locally, but occasionally a surplus is exported to the Warsaw market.

The *grape vine* is cultivated in Podolia, Kherson, and Yekaterinoslav. The wine produced is of inferior quality, and has only a local market.

Of the crops producing vegetable oils, *linseed* and

?: Pr hero G-4 (no date) 1920 RD1 Ukraine RD1

249 Of these crops producing vegetable oils, hemp-seed and *sunflower* are the principal. A great deal of sunflower seed is eaten raw by peasants and labourers all over Russia. These two crops are decreasing.

244 *Fruit and vegetables.*—The orchard districts are in the
● 439 Governments of Podolia, Chernigov, Poltava, and Kiev.
245 Apples, pears, plums, cherries, mulberries, and apricots grow freely, and the surplus goes to northern Russia, great quantities being preserved. Vegetables succeed well in the alluvial soils near the rivers. They are mostly grown by summer immigrants from Bulgaria (cf. p. 72), who use a primitive system of irrigation. The surplus supply all goes to northern Russia.

231 The live-stock of the Ukraine is very numerous, but of late years has tended to decrease.

Horses are much in demand for agricultural work, especially as the use of oxen as draught animals is being gradually abandoned. There is also a strong demand for horses in the coal and iron region for haulage. As a result the stock of horses has considerably increased in six out of the nine Governments, Volhynia, Podolia, and Chernigov alone showing decreases.

Cattle have decreased in numbers in five Governments and increased in four, but the total shows a serious falling off.

236 *Sheep* are divided roughly into two classes, fine-woolled and coarse-woolled, the former producing wool known as 'Spanish', the latter being killed for their skins. There is a general decrease of stock in every province of the Ukraine. The great increase of population and the demand for land, with rising rents, make sheep-farming not sufficiently profitable under present agricultural conditions.

231 The stock of *pigs* is, on the whole, maintained, and even shows a good increase in some Governments.

The *goat* was formerly of importance, and there was a considerable stock in the country, but it has dwindled latterly at a very rapid rate.

235 *Poultry* are kept in considerable numbers, but poultry-farming on modern methods is very rare and of small economic importance.

000 *Apiculture* is common in the northern Ukraine, and

9: Prothero G-4 (no date) 1920 RD1 Ukraine RD1

is near the small town of Krivoy-Rog on the borders of the Governments of Yekaterinoslav and Kherson, between the town of Yekaterinoslav and the port of Nikolaev. This district has produced 95 per cent. of the iron ore mined in European Russia in recent years, and after supplying the needs of the numerous iron-works on the Donets coalfield and dispatching great quantities to other parts of Russia, it exports a large surplus through the ports of Nikolaev and Mariupol. This supply is eagerly taken up, principally by Great Britain and Germany.

The Krivoy-Rog iron is a brown non-phosphoric ore, containing about 70 per cent. of pure iron. The output is steadily increasing: the ore mined amounted in 1906 to 3,000,000 tons, and in 1910 exceeded 4,000,000 tons. There have been further increases since.

Deposits of *manganese* ore are found in the Government of Yekaterinoslav at Nikopol on the lower Dnieper, a few miles east of the Krivoy-Rog iron district. Exploitation began in 1886, and has been very successful.

The production, of which 75 per cent. is exported, fluctuates greatly according to the price of manganese abroad, and a maximum output of 300,000 tons in 1907 was succeeded by a fall to one-half this amount in 1909, with a slight recovery in the following years.

Mercury has been exploited since 1879 at Nikitovka, in the Government of Yekaterinoslav. The mineral is found in the coal measures near the surface. After being successfully worked for thirty years, the mines were closed about 1909.

Salt.—The Ukraine has valuable deposits of salt. There is an important mine of rock-salt near Bakhmut in the Government of Yekaterinoslav. Boring has been continued to a depth of 760 ft. without passing through the entire thickness of the salt bed; of this 340 ft. consists of pure salt.

On the edge of the Kouyalnitski lagoon, north-east of Odessa, there is a salt lake which produces enough

9: Prathero G-4 (no date) 1-20 RD1 Ukraine RD1

salt for the domestic needs and preserving industries of the neighbourhood.

Brine springs are worked at Bakhmut and at Slavyansk in the Government of Kharkov. The brine is pumped to the surface and the salt evaporated.

The salt production is increasing but slowly, and not in proportion to the needs of the preserving and curing industries of Russia; prices are rising and imports increasing. The average output for the years 1905–9 was 1,326,000 tons of pure salt, which was over 50 per cent. of the production of all Russia.

Building stone.—Quarrying for limestone is a great industry near Odessa, which is built of the local stone. Granite is quarried on the banks of the larger rivers, and Yekaterinoslav and other towns are largely built of granite, which is also used for harbour works and railway bridges.

Pottery clays.—Kaolin is found in the Ukraine, the entire output of Russia being produced within its boundaries. Clays of good quality exist in the Governments of Poltava, Kharkov, and Kherson, and supply material for the local domestic industry in earthenware.

(*b*) *Methods of Extraction*

There is nothing new or striking in the methods used for extracting the minerals mentioned; on the contrary, except where foreign capital is interested, they are on the whole not equal to those followed in western Europe and America. The greatest drawback is the low producing power of labour, for which no immediate remedy is to be found. There is room for improved machinery on a large scale, but unless the habits of the people change, the output per head will remain comparatively small.

(5) Manufactures

Manufacturing industry plays a relatively small part in the economic life of the Ukraine, the country not producing sufficient for its own wants and import-

9: Prothero G-4 (no date) 1920 RD1 Ukraine RD1

ing both from abroad and from other parts of Russia. The two principal exceptions to this rule are manufactured food-stuffs, and heavy iron and steel products.

Sixty-eight per cent. of the manufactured products of the country consist of food-stuffs. The industries contributing to this output are various, including flour-milling, sugar-refining, and those dependent wholly or partly upon sugar, such as confectionery, fruit-preserving, distilling from molasses, brewing, and wine-making. Most of the undertakings concerned have only a small capital, and are situated near the source of their raw material. In the neighbourhood of Kiev, however, sugar-refining and its dependent industries are carried on in large works, many of which are capitalized from abroad.

The close conjunction of the Donets coalfield and the iron and manganese deposits has enabled the Ukraine to be almost entirely self-supporting in iron and steel manufactures of the first categories, and to supply the wants of the remainder of Russia as well. Pig-iron, bar-iron, roof-iron, steel rails, axles, tubes, and assorted merchant iron are all made in the iron-works which have been established in increasing numbers on the coal and iron fields. These works are seldom in large centres of population, but as a rule in small towns and villages, some of which owe their existence to the need of housing for the labour employed.

The output of raw iron and steel in the first stage of manufacture under the headings of Bessemer and Thomas bars, Martin-process bars, cast-iron and steel billets, and cast-iron tubes, was in 1906 1,300,000 tons, and in 1910 1,900,000 tons. The output of iron and steel in the second stage of manufacture, under the headings of T and H beams, rails, sheet-iron, rolled wire, roof-iron, trusses, springs, assorted merchant iron and axles, was in 1906 1,010,000 tons, and in 1910 1,602,258 tons. In the former year the output in both stages was equal to about 45 per cent., and in the latter year to about 55 per cent., of the total Russian output.

9: Prothero G-4 (no date) 1920 RD1 Ukraine RD1

(2) Foreign

(*a*) *Exports*

No separate figures as to exports from the Ukraine are given in official statistics, which in every case refer to the Empire as a whole. Owing, however, to the nature of the exports, it is possible to draw some general conclusions. 439

The total exports of Russia for several years of the twentieth century have averaged £100,000,000 in value. Considerably more than half at all times, and frequently as much as two-thirds, come under the heading of food-stuffs. Of these, cereals and sugar are certainly almost entirely of Ukrainian origin. Butter and eggs, the two other most notable items, are not exported from the Ukraine in any quantity, but the total value of these exports does not approach a quarter of the value of the exports of wheat alone.

The following figures show how the export of cereals, especially wheat, varies according to the harvest. Of the years quoted, 1908 was poor, 1909 good, and 1910 excellent:

	1908.	1909.	1910.
	£	£	£
Wheat	11,200,000	38,400,000	40,500,000
Rye	2,500,000	3,400,000	2,900,000
Barley	13,200,000	16,500,000	15,800,000

Wood and prepared timber are largely exported from Russia, and a small proportion comes from the Ukraine.

Of hides, another important export, the Ukraine furnishes a good share, and the same remark applies to oil-seed products.

Iron-ore exports are almost entirely of Ukrainian origin, coming from Krivoy-Rog.

The above headings cover the most important articles which the Ukraine has for export. The wheat goes principally to Great Britain, Holland, and Germany; the rye to Austria, Germany, and other

9: Prothero G-4 (no date) 1920 RD1 Ukraine RD1

439 destinations; and the barley chiefly to Germany. The iron-ore goes mainly to Great Britain and Germany.

(b) *Imports*

As in the case of exports, exact figures for the Ukraine imports cannot be given. In the long list of Russian imports, only three stand out conspicuously —raw cotton, wool, and machinery. Neither imported wool nor cotton is worked in the Ukraine, and the importation of agricultural machinery, though still considerable, is declining. As for commodities under the headings of colonial produce and manufactured goods, the share taken by the Ukraine cannot be estimated, but it is probable that more than half the amount imported through Ukraine ports is consumed beyond the Ukraine boundaries, as the adjacent parts of Russia have greater purchasing power. It may safely be said, however, that the imports of chemical manures, which are increasing rapidly, are largely destined for the Ukraine.

Germany is the principal source of Russia's imports, her share being usually 45–50 per cent. of their total value. Imports from Great Britain represent only 12–14 per cent. of the whole. The rest of the import trade is divided among many countries, none of which contributes as much as 10 per cent. of the total.

(c) *Customs and Tariffs*

651 The Russian tariff is on the whole highly protective, particularly in reference to manufactured articles. As far as possible the duties are levied on weight, only occasionally on value. The tariff contains 218 sections and many sub-classifications.

There is a short free list which includes many kinds of agricultural machinery, live cattle, horses, and cattle food consisting of by-products of manufacture. Certain fertilizing substances and chemicals necessary for tanning and other industries are imported under low duties.

9: Prothero G-4 (no date) 1920 RD1 Ukraine RD1

The conventional tariff is modified in favour of various nations in respect of specified items according to the commercial treaties mentioned below. 651

(d) *Commercial Treaties*

The Ukraine having hitherto formed part of the Russian Empire, the commercial treaties of the Empire have had full force there. Up to the year 1893, notwithstanding any treaties existing, all European nations were on the same footing in relation to the Russian tariff. Since then the following special conventions as to tariffs have been concluded: 648 439

With France.—A treaty of 1893 provides for a reduction of Russian duties on 52 articles of French origin, in exchange for a reduced French tariff on naphtha and its products.

With Serbia.—A treaty of commerce and navigation, signed in 1893, agrees to a decrease of the Russian duty on Serbian fruits, in exchange for Serbian concessions on fish and mineral oils.

With Germany.—By a treaty of commerce signed in 1894, Russia lowered her duties in favour of Germany on 135 articles, in consideration of which she obtained most-favoured-nation treatment from Germany.

With Portugal.—A general convention of 1895 arranged that Russia should benefit by certain reductions of the Portuguese tariff, and that Portuguese cork and cork products should be allowed a 20 per cent. reduction of duty on entering Russia.

With Japan.—A general treaty, signed in 1895, placed Japan, in respect of her commercial relations with Russia, on a similar footing to that of European countries.

With Bulgaria.—In 1897 the Russian tariff on dried meat, eggs, and undressed leather was lowered in favour of Bulgaria, and attar of roses was admitted free of duty. In return, certain general concessions and most-favoured-nation treatment were accorded by Bulgaria to Russia.

9: Protocols G-4 (no date) 1920 RD1 Ukraine RD1

648 Asia generally has peculiar commercial relations
731 with Russia, the duties on both sides being as a rule low, while numerous arrangements for reciprocal concessions have been made, notably with Persia, the Turkish Empire, and China.

(D) FINANCE

(1) Public Finance

652 The Russian Imperial revenue is largely raised in indirect taxes. The budget for 1911 shows the following revenue figures:

		Roubles.
Direct taxes		210,000,000
Indirect taxes:		
Liquor	42,000,000	
Tobacco	69,000,000	
Sugar	123,000,000	
Petroleum	44,000,000	
Matches	18,000,000	
Customs	289,000,000	
		585,000,000
Duties:		
Stamps, fees on transfers, harbour dues, railway dues		169,000,000
Royalties:		
Mines, mint, posts and telegraphs, and spirit monopoly		849,000,000
State property, including railways		765,000,000
Remainder		122,000,000
Total		2,700,000,000

The principal spending departments were the Ministries of Ways and Communications, War, and Finance, and the Public Debt service. These accounted for three-fourths of the expenditure.

476 was made in the cooperative society's own factories. The society owned cement factories, lime plants, mills, cloth-weaving factories, bakeries, oil presses and even a factory that made boot polish and cosmetics.

• 439 Whither did Ukrainian goods go? Peas, beans and poultry to England and Belgium, clover seed to Holland, /94/ pigs to Germany, beef cattle via Constanta to Greece, poultry to Germany, Switzerland and to - Palestine, eggs to many countries and, in cans, as far as Buenos Aires.

[545] Sociologically noteworthy is the growth of an urban stratum of artisans, merchants and small industrialists. The Ukrainians who, much to their 369 own disadvantage, neglected the cities because of 476 their love for quiet village life, now gradually pushed into the cities, and the credit cooperatives supported them in this.

*

741 Of greatest significance for the advancement 517 of Ukrainian culture were the societies for edu- 217 cation and public health. The society for popular education, "Prosvita", was even older than the Ukrainian system of cooperatives, reaching back to 1883. It was a veritable national sanctuary of the Ukrainians. The people are indebted to it for a large part of their cultural advance. The "Prosvita" was an actual school for advanced studies in the country. In 3214 village libraries with 700,000 volumes, two instructive monthly magazines and with inexpensive editions of books, it enabled the village inhabitants who were cut off from all urban culture to obtain the knowledge which alone made it possible for them to assert themselves against their enemies. Besides that, 741 "Prosvita", which on January 1, 1938 numbered 517 360,000 members, and owned 1457 club houses with rooms for meetings, promoted group singing, music, the community theater and folk art. It helped

11: Obermaier--108 J-3(no date)1942RD1UkraineRD1

517 156 [214] Kiyev, Khar'kov and Odessa are the most important centers of East Ukrainian intellectual life. It is there that most of the Ukrainian books, periodicals and newspapers are published. Besides that, the Ukrainian tongue is also printed in many smaller cities. Many of the Soviet Ukrainian authors glorify present conditions; these are the interpreters of Communism, the worshipers of machines and idols. But there are also others, like Khvylovy, who in truthful pamphlets derided the state of affairs, the proletarian wirepullers, their ingenuousness, their venality and their eagerness to work their way up, authors who write with a nationalistic purpose, who are "exposed" and then, like Khvylovy, come to an unfortunate end. "Experts maintain that even in the works of the Ukrainian Communist writers, especially the younger ones, the national feeling cannot be hidden, that an inner schism appears in their works. They do not actually belong to proletarian literature which has remained inwardly foreign to them. How could it be otherwise with such a past!" (56) /Facing page 104/

56. Zalozieckyj, ibid.

439 /Map VIII: Grain Export from the Soviet Ukraine and North Caucasus (Average for 1927/1928) This map differentiates between actual Soviet Ukraine and the North Caucasus regions. Export to foreign countries is insignificant compared to supplies sent to the Greater Russian areas of the Soviet Union situated in the forest belt./ /Key: Grain: ● from Soviet Ukraine, ● from the North Caucasus./

/105/ Trapping Souls

778 On Sunday, May 29, 1939 a unique event took place in the church of St. Peter in Rome:

11: Obermaier--108A J-3 (no date) 1942 RD1 Ukraine RD1

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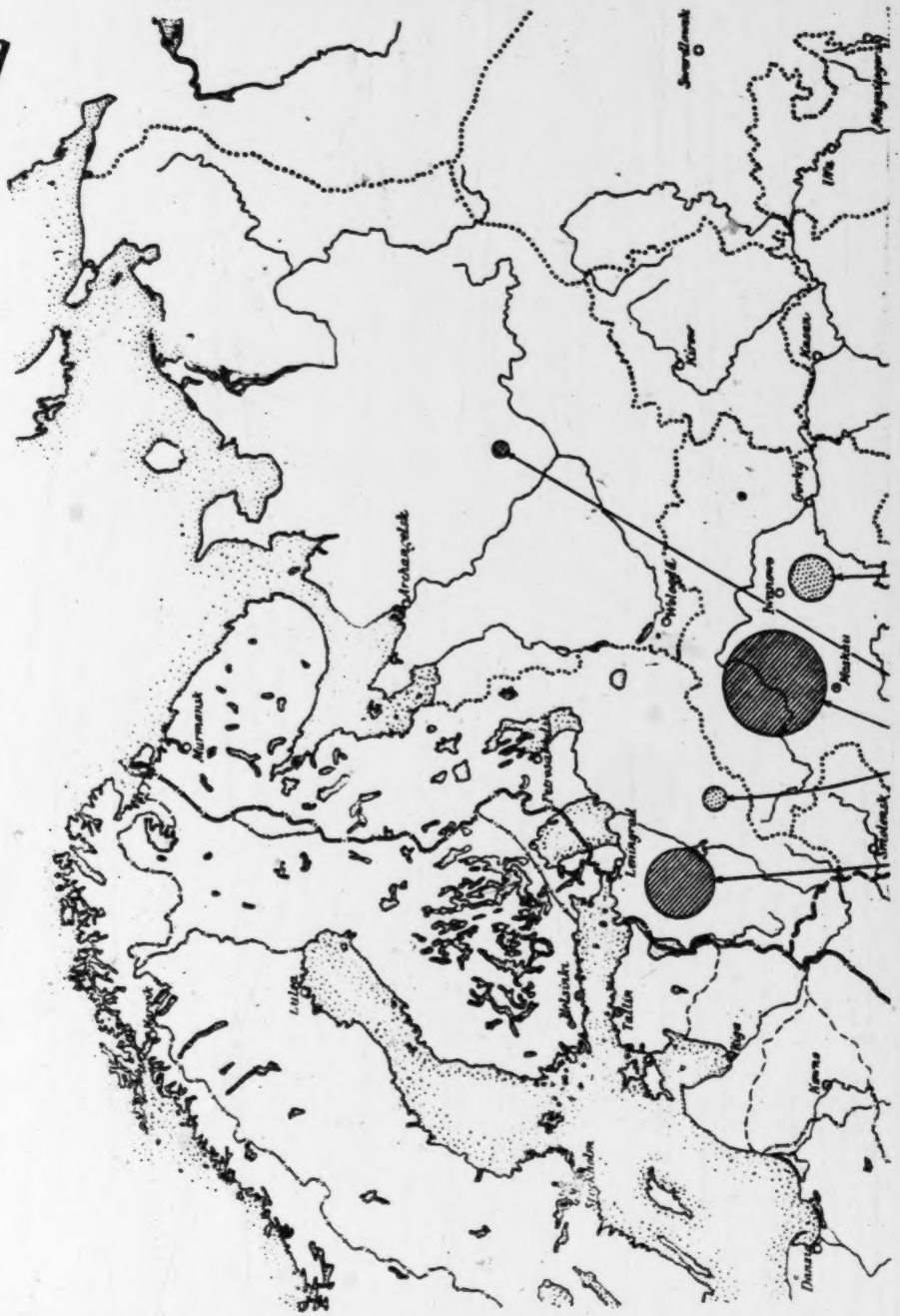

Map VIII: Grain Export from the Soviet Ukraine and North Caucasus (average for 1927/1928), Cf. complete Legend, p. 109]

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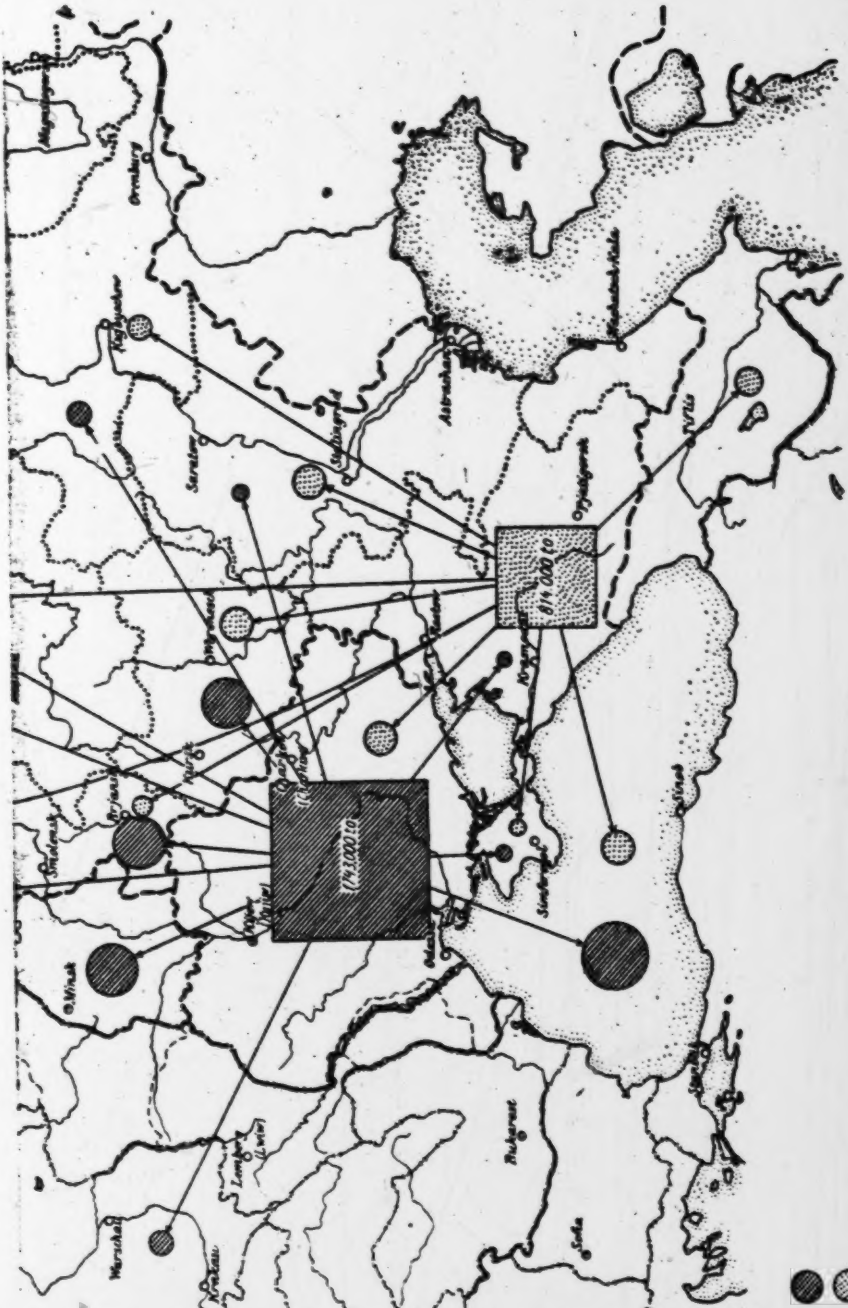

Map VIII: Grain Export from the Soviet Ukraine and North Caucasus (Average for 1927/1928)

474 the inventory of goods, buildings and land are likewise property of the community, but the agricultural products are distributed on a share basis according to work performed, after expenses and reserves have been deducted. In contrast to the commune, the farm produce consumed by the family and the family's household economy are private. Nominally the farmer is co-owner of the kolhosp which the law describes as "agricultural common property on a cooperative basis". The rights and privileges of the farmer who has "voluntarily" joined are set forth in the statute. No compensation is paid for agricultural property brought in by the individual farm. If a farmer withdraws from the kolhosp, what he has brought in is not returned to him, but he can demand an allowance which, however, is very small and in no wise corresponds to the actual value.

162 Of the total of 44.5 million hectares of land in the Soviet Republic in 1938, 29.7 million hectares fell to the kolhosp, 1.8 million to the separate property of the kolhosp farmers, /Facing

•439 page 152/ /Map X: Export of Coal and Sugar from Soviet Ukraine. (Average 1927/1928). The Ukrainian supply to the Great Russian areas of coal and sugar shows a similar development as the distribution of grain. In these products, too, export to foreign countries was small./ /153/ 1.5 million hectares to individual non-collective farmers, 4.2 million hectares to Soviet farms and 7.3 million hectares to other properties. (97)

97. Deminsky: "The Economy of the Ukraine" in Deutsche Berufserziehung, No. 15 and 16, p. 135.

474 From a practical point of view the kolhosp represents a large estate whose land lies round about the estate. All the members of the commune are the estate owners. Since the kolhosps are forbidden to employ outside manpower, a stranger cannot

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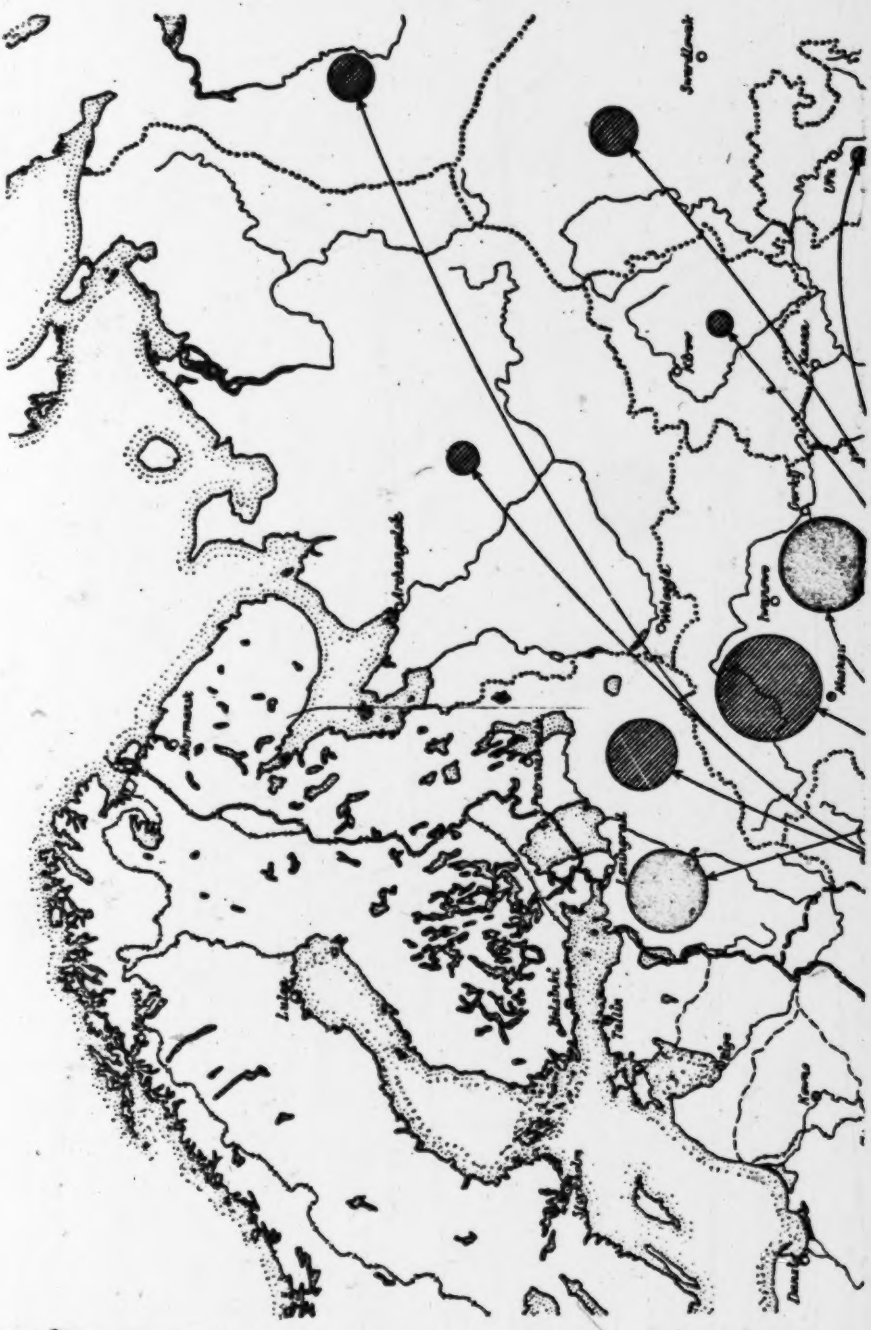

Map X: Export of coal and sugar from Soviet Ukraine. (Average 1927/1928, Cf. Complete legend, A 1Cd)

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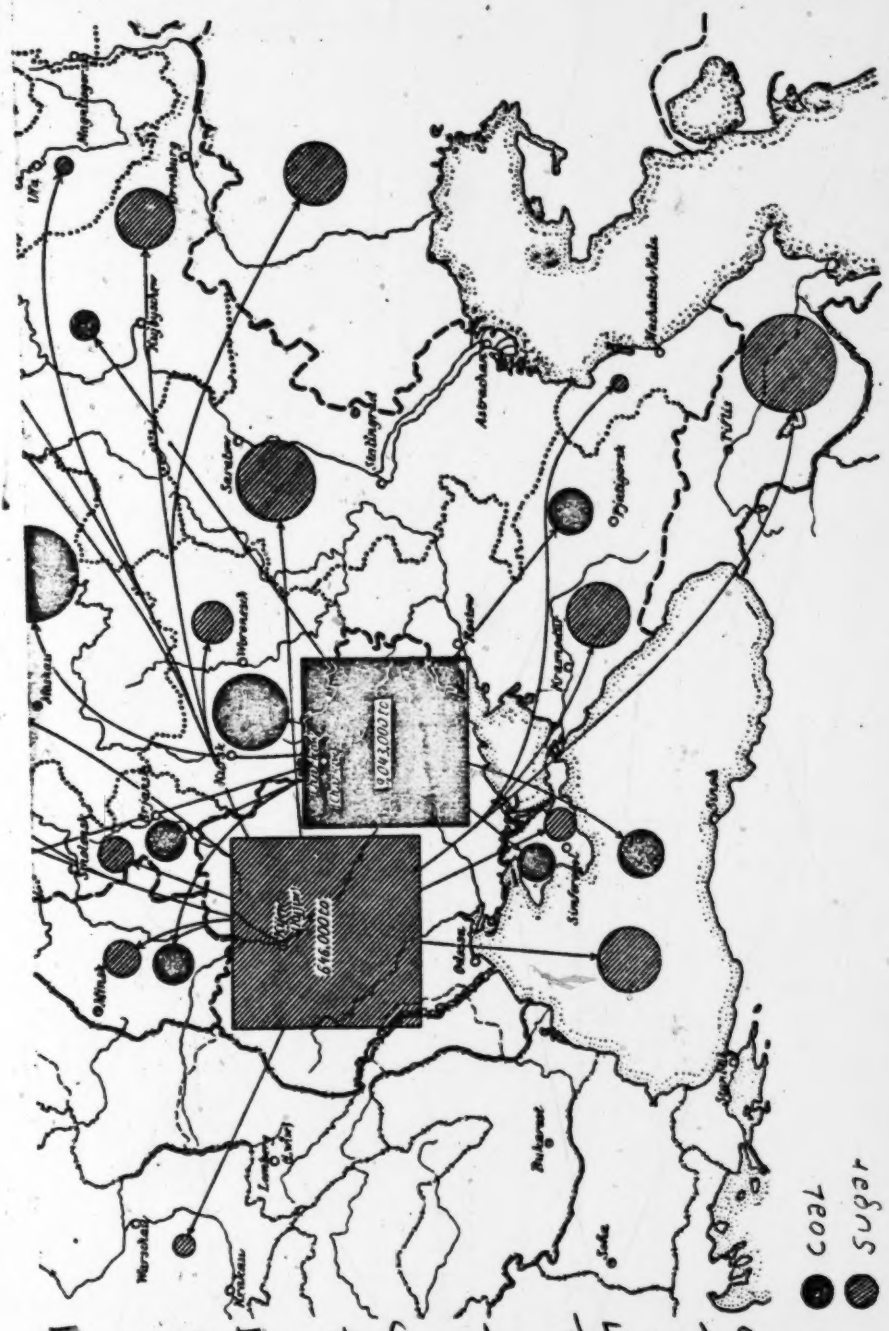


[Map X: Export of coal and Export from Soviet Ukraine (Average 1927/28)]

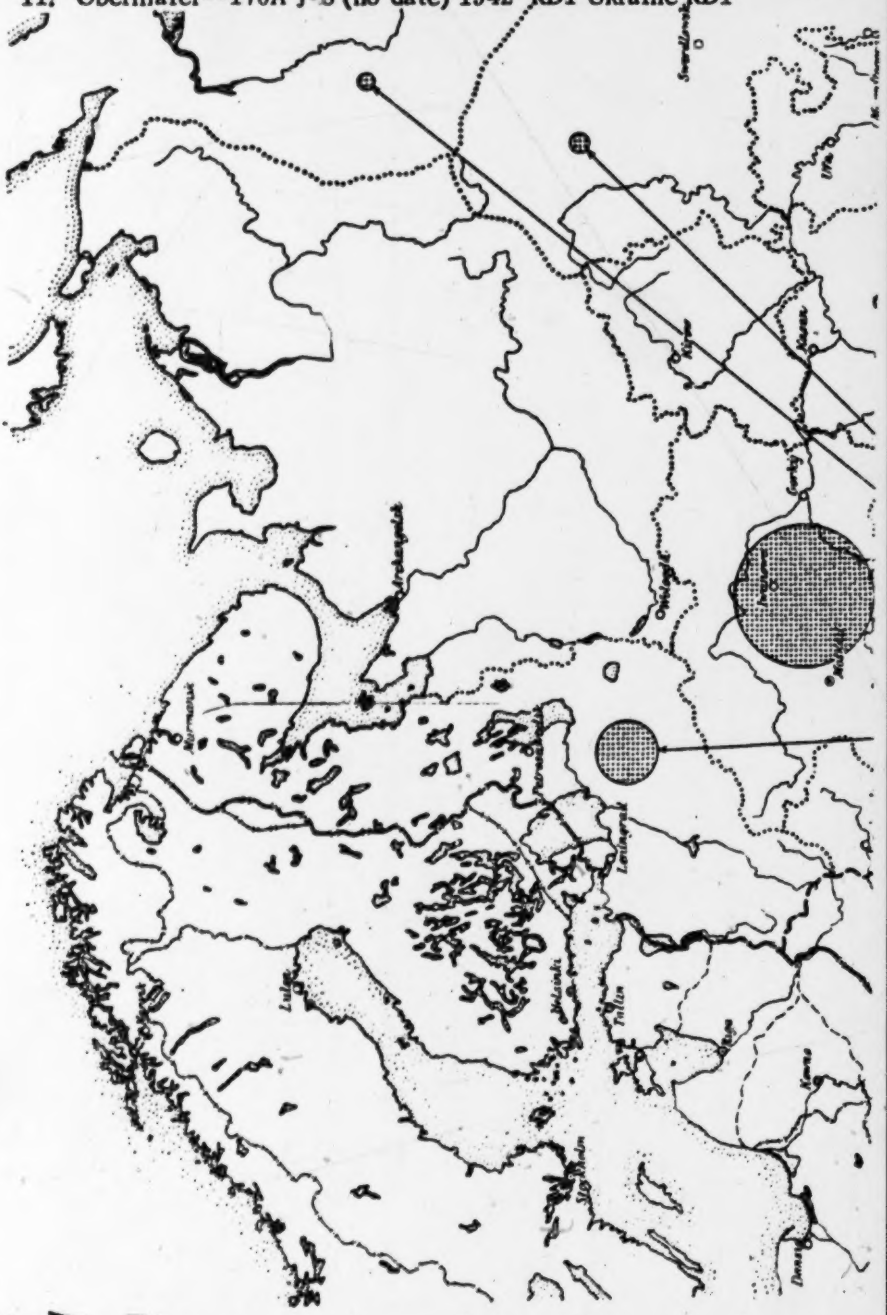
464 The tremendous increase in popula-
361 tion which the Ukraine showed after the liberation of peasants in 1861 found employment in the growing industry and in railroad construction, insofar as the surplus population did not prefer emigration to Siberia and eastern Asia. When there was less work on the farms, the farmers and farmers' sons traveled into the industrial regions, only to return to their villages at planting and harvest time. Thus a stock of Ukrainian industrial workers could not be formed; foreign Russian manpower immigrated and remained for good. In 1918 and 1919, when the Muscovite Bolsheviks broke into the Ukraine and the Russian industrial workers reinforced their ranks, the absence of a Ukrainian industrial working class was to make itself disastrously felt.

316 The world thinks of the Ukraine more as a granary than as asource of valuable raw materials. And yet, there are considerable treasures buried in Ukrainian soil. The reserve of iron ore in the Ukraine is the third largest in the world. At Krivoy Rog, 250 kilometers northeast of Odessa, according to the latest calculations there are deposited 1.25 billion tons of high percentage Bessemer ores (60 to 61% iron content) and also considerable quantities of ferruginous quartz. In Kerch on the easternmost spur of the Crimean Peninsula there are 2.7 billion tons of phosphorous ores with an iron content of 38 to 42%, and in the northern Caucasus there are smaller deposits. The following table shows the importance of Ukrainian ore extraction for the Great
439 Russian realm: /Facing page 160/ /Map XI: Iron Ore and Steel Export from the Soviet Ukraine (Average 1927/1928). The Ukraine was the great source of steel for the industrial works around Moscow and Leningrad./ /161/

316

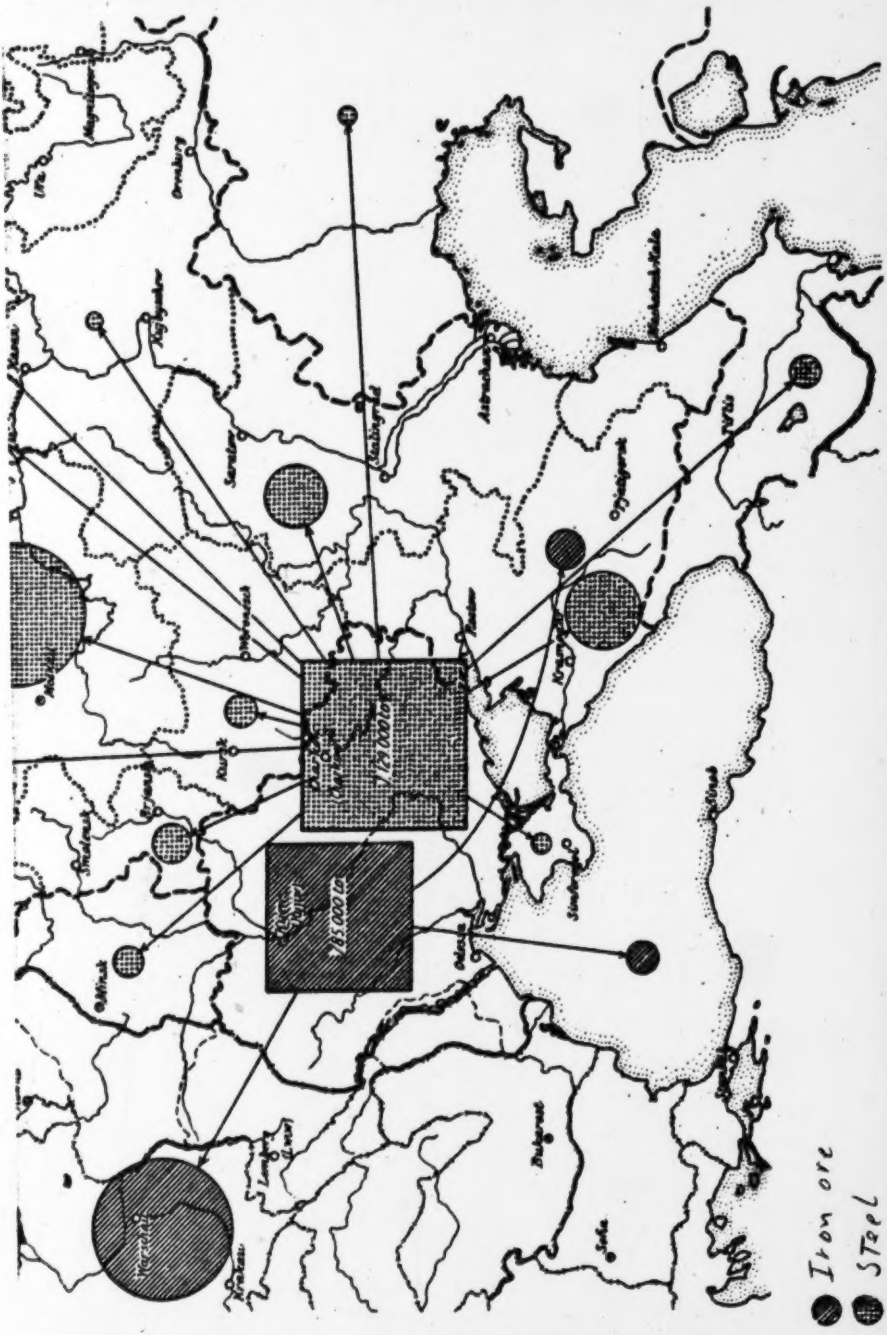
	Iron Ore Extraction in million tons		
	1913	1932	1935
Krivoy Rog.....	6388	7925	16,594

•439



[Map XI: Iron Ore and Steel Export from the Soviet Ukraine (Average 1927/1928), cf. complete Legend, p. 170]

439



[Map II: Iron ore and steel Export from the Soviet Union (Average 1927/28)]

11: Obermaier--181 J-3(no date)1942 RD1UkraineRD1

In 1926 there were 42.1% Ukrainians in Kiyev, 38.3% in Khar'kov, 17.4% in Odessa, /Facing page 168/ /Map XII: Balance of Trade in the Soviet Ukraine. The diagrams on this page permit a comparison of import and export during the periods before and after the First World War. Note the decrease of exports in agricultural products and the increase of industrial exports/ /Captions:/

369
162
439

Diagram of
Foreign Trade of the Soviet Union in
1909/11, 1913 and 1934
(in million rubles)

1.
Export, of this trade with Russia
/In circle marked 795:/
Grain 222
Metal and metal goods 90
Products of animal husbandry 56
Other produces 28
Other agricultural products 399

2.
Import
/In circle marked 472:/
Metals and machines 34.5
Naphtha products 33.5
Groceries 33
Leather & leather goods31
Fish 29
Wood products 17
Other products 17
Other finished products 217

3. Export
/In circle marked 744:/
Grain 235
Metals & crude metals 116
Products of animal husbandry 53
Coal 50
Other products 25
Sugar 265

4. Import
/In circle marked 331:/
Wood products 37
Naphtha products 13
Metal goods
Other products 74
Other finished goods 197

5.Export
/In circle marked 720:/
Sugar 160
Coal 140
Grain 50
Ores 10
Metals and machines 360

439 6. Import
/In circle marked 380:/
Naphtha 110
Wood products 70
Fish 20
Products of animal husbandry 5
Other finished products 180

7. Export of various goods from the Soviet Ukraine in 1913, 1928, 1932 and 1934 (in million tons).

8. Coal

9. Ores

10. Iron & steel

11. Grain

12. Sugar

13. Wood

14. Naphtha & naphtha products

15. Various finished products

000/Also facing page 168/ /Where tractors are worn out harrowing is now done with horses/ /Facing page 169/ /At planting time the seed must be got into the ground within a few days. The tractor is particularly adapted to the cultivation of large areas/ /169/ 35.9% in Dnepropetrovsk, 16.2% in Lwow (1931), 28.9% in Stalin, 29.9% in Krasnodar (chief city of the Kuban region), and 17.8% in Chernovtsy.

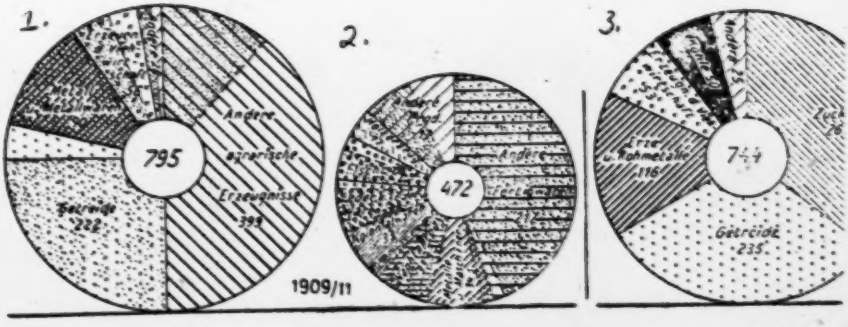
369 162

*

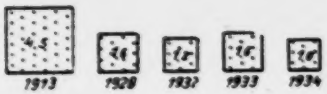
563 The Jews immediately seized what the Ukrainians had passed by. During the wars with the Turks Catherine II had opened to them the south Ukrainian gubernıyas of Taurien, Kherson and Katerinoslav, the present-day Dnepropetrovsk. In 1835 the right of settlement of the Jews was extended to the entire right-bank section of the Ukraine with the exception of the city of Kiyev. The rest of Russia was almost completely free of Jews until 1917. From that time on all of Russia was open to them, and immediately the emigration

1 [For plates, cf. pp. 224-225, category IIC - Analyst]

439

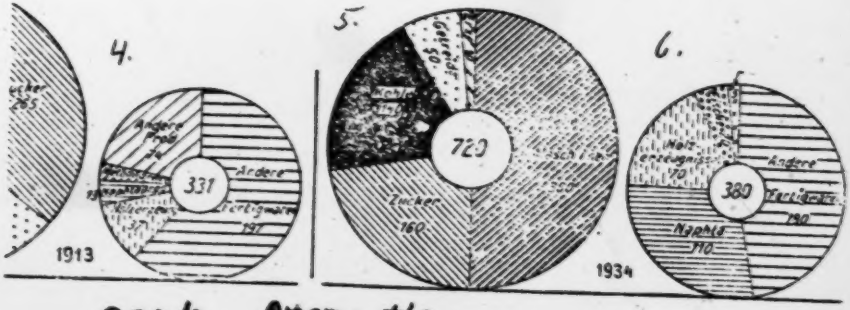


7. Export of various Soviet Ukraine in 1934 (in million Tons)



[Map. XII: Balance of trade in the Soviet Ukraine, cf. complete Legend, pp. 181–182]

439

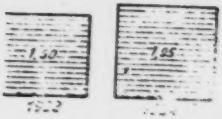


goods from the
1913, 1928, 1932 and

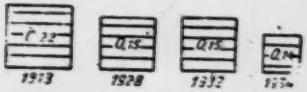
10. Iron + steel

12. SUGAR

and Naphtha products



15. various finished products



[Map XII: Balance of trade in the Soviet Ukraine]

727 relief and rehabilitation supplies to be delivered until such time as
457 the two republics would be able themselves to pay with suitable means
648 of foreign exchange for their own imports[1].

727 The UNRRA-Ukrainian Agreement provided for a programme of supplies
439 amounting to 188 million U.S. dollars (approximately five dollars per head
648 of population), to be used for food, clothing, medical, agricultural, and industrial supplies. The agreement stipulated that UNRRA would attempt to deliver the bulk of these supplies to the Ukraine before June 30, 1946; however, because of procurement and transport difficulties, this early completion of the programme proved impossible. On May 30, 1946, therefore, the UNRRA-Ukrainian Agreement was extended to the end of 1946.

The schedule of supplies to be shipped has changed somewhat since the original programme was decided. As it now exists, about 53 per cent. (by value) of the total supplies are foodstuffs; 27 per cent. industrial supplies, and nearly 9 per cent. clothing. Supplies for the rehabilitation of agriculture will amount to 17,088,000 dollars, the greater part of which has been allocated for seeds. The following table shows by value the UNRRA programme of supplies for the Ukraine, as at March 21, 1947. A more detailed summary will follow in later sections of this report.

TABLE III

UNRRA Programme of Supplies to the Ukrainian S.S.R.
(thousand U.S. dollars)

Food, feed, soap	100,189
Clothing, textiles, footwear	16,856
Medical and sanitation supplies	2,326
Agricultural rehabilitation	17,088
Industrial rehabilitation	51,591
Total	188,050

Source : UNRRA Headquarters, Washington.

In March 1946 a small UNRRA Mission arrived in the Ukraine and established headquarters at Kiev. In subsequent months, some of the mission members have made many visits to various parts of the republic in order to observe the distribution of UNRRA supplies. They report that gigantic efforts are being made to restore the economy, but emphasize the discouraging fact that UNRRA assistance with machinery and other rehabilitation supplies is small in comparison with the tremendous destruction everywhere. The main UNRRA contribution has

1 UNRRA aid to Byelorussia will be dealt with in a future paper.

727
439 been food supplies, which in many Ukrainian towns constituted the only
648 food to be seen in shops in 1946. For fats and oils particularly the Ukrainian population has been entirely dependent on UNRRA aid.

The U.S.S.R.'s Five-Year Plan, 1946-50

727
648 UNRRA assistance to the Ukraine has been of necessity limited in scope and short-term in nature. Long after relief shipments are ended - and they are now all but complete - the Ukraine will still be working to rebuild its factories, cities, and farms. The main task of rehabilitation is therefore a long-term one, and depends upon long-range measures.

727
185 On March 18, 1946, the Supreme Soviet of the U.S.S.R. adopted a Five-Year Plan, 1946-50, for the rehabilitation and development of the national economy of the Soviet Union. This plan is the fourth of a series of Five-Year Plans[1] designed to increase the productivity of Soviet farming and industry, and in general to raise the standard of living of the whole population. As stated by the Supreme Soviet of the U.S.S.R., the principal aims of the Five-Year Plan in 1946-50 are to rehabilitate the devastated regions of the country, to recover the pre-war level in industry and agriculture, and then considerably to surpass that level.

[652] The new Five-Year Plan provides that nearly one-third of the capital investments for the entire Soviet Union in 1946-50 (49,500 million roubles out of a total of 250,300)[2] are to be spent on the restoration of the Ukraine. Of this 49,500 million, 5,469 million will be used for works under the Ukrainian Republic's jurisdiction.

361
727 In the next five years all the destroyed cities of the Ukraine -
362 particularly Kiev, Kharkov, Chernigov, Odessa, Dniepropetrovsk, Stalino, and Zaporozhie - are to be rebuilt and their municipal services restored. Housing is to be replaced as speedily as possible; in 1946-50, 175,120,000 square feet of state-owned housing are to be built, of which 12.65 million square feet are to be made available by local Soviets. The amount of privately owned housing to be built before 1950 is fixed at 36.3 million square feet.

241
185 Also under the Five-Year Plan Ukrainian agriculture is to be rehabilitated; the crop area for 1950 is planned at 30.5 million hectares. By 1950 the Ukraine is scheduled to be producing about 20 per cent. of the grain harvested in the U.S.S.R. (approximately the same tonnage as in pre-war years); 60 per cent. of the sugar beet (about 6 per cent. more than pre-war); and the potato harvest is fixed for 23 million tons, 1½ millions more than in 1940.

000 Industry is to be revived; railroads and other forms of transport

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1 First Five-Year Plan, 1929-32; second, 1933-37; third, 1938-42.

2 Estimated at 1945 prices.